

DAILY REPORT

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ECONOMIC ISSUES DISCUSSED AT ASIAN TRADE FAIR

Use of Foreign Funds

HK060410 Beijing ZHONGGUO XINWEN SHE in Chinese 0807 GMT 5 Sep 84

[Report: "China Has Used \$15.8 Billion in Foreign Funds in the Past 5 and 1/2 Years"]

[Text] Beijing, 5 Sep (ZHONGGUO XINWEN SHE) -- Speaking in a study group of the Asia-Pacific International Trade Fair in Beijing today, Huang Wenjun, spokesman of the Ministry of Foreign Economic Relations and Trade, told representatives from 13 countries that in the past 5 and 1/2 years from 1979 to June this year, China has actually used \$15.8 billion of foreign funds. Of this amount, \$12.5 billion consisted of foreign loans, including loans provided by foreign governments and international financial organizations and buyers' credit loans, and \$3.3 billion consisted of direct investment by foreign firms, including joint ventures, cooperative production, cooperative exploration, private enterprises, and compensation trade.

Huang Wenjun said that up to the end of June this year, Chinese enterprises had already signed more than 2,900 contracts with foreign enterprises in order to absorb foreign capital. According to these contracts and agreements, foreign firms are to make a total investment of nearly \$8 billion, of which more than \$0.5 billion are to be invested by foreign firms in 362 joint ventures, nearly \$3.5 billion are to be invested by them in 1,372 cooperative enterprises, \$2.4 billion are to be invested in 31 joint projects for developing offshore oil, more than \$0.8 billion are to be used for equipment provided by foreign firms in 1,137 compensation trade items, and more than \$0.6 billion are to be absorbed through other channels.

Up to now, the following foreign governments and international financial organizations have provided China with construction loans: Japan, Kuwait, Denmark, Belgium, Italy, Malta, the World Bank, the International Fund for Agricultural Development, and the International Monetary Fund.

Businessmen from more than 10 countries and regions, including the United States, Japan, Britain, the Philippines, France, West Germany, Belgium, Switzerland, Denmark, Australia, Thailand, Norway, Sweden, Italy, New Zealand, Hong Kong, and Macao, have made direct investments in China.

5-Year Economic Plan

HK051008 Beijing ZHONGGUO XINWEN SHE in Chinese 0923 GMT 4 Sep 84

[Report by Liu Yushang: "China Is Drawing Up Its Seventh 5-Year Plan for National Economic Development"]

[Text] Beijing, 4 Sep (ZHONGGUO XINWEN SHE) -- China is drawing up its Seventh 5-Year Plan (1986-1990) for national economic development and will finally complete this work next year. This was disclosed today by Ge Jiwu, deputy chief of the comprehensive economic bureau of the State Economic Commission, at the study group of the Asia-Pacific International Trade Fair, which is being held in Beijing. He said that in making arrangements for the Seventh 5-Year Plan, close attention will be paid to the solutions of given problems. Continued attention will be paid to agricultural production. It is necessary to adhere to the system of contracted responsibilities with payment linked to output for a long time to come, and to improve and perfect it continuously. At the same time, it is necessary to popularize advanced and suitable agricultural science and technology and to continuously improve agricultural production conditions. Vigorous efforts should be made to develop the fodder industry and to improve the construction of grasslands in order to promote the development of animal husbandry. It is necessary to vigorously develop and rationally utilize water and sea areas, to develop aquatic breeding, and to increase aquatic products.

The construction of key construction projects such as energy, transport, and the raw materials industry, should be stepped up. In the future, investments in these areas will be appropriately expanded. We shall concentrate on building a number of large opencut coal mines, power stations, hydroelectric power stations, and nuclear power stations; expanding the exploration and exploitation of key oil fields; building a few large steelworks, nonferrous metal projects, and petrochemical projects; and speeding up the construction of key trunk railways and ports.

Science and technology should be developed and technological transformation of the existing enterprises should be carried out step by step. The emphasis of the transformation should be placed on economizing on energy and raw materials, changing the product mix, and improving the function and quality of products. In the future, the stress of science and technology should be placed on stepping up studies of application and development and solving some crucial technology problems in production and construction.

Reform of the economic system should be continuously carried out and improved, the policy of opening to the outside world should be implemented, and economic and technological exchanges with foreign countries should be vigorously expanded. The reform of China's economic system as a whole is being intensively studied and comprehensive arrangements are being made. We are striving to draw up the plan as soon as possible so that it can be unfolded step by step and in an all-round way in the Seventh 5-Year Plan period.

The textile and other light industries should be developed in order to raise the living standard of people in towns and the countryside. In the future, the production of consumer products should continue to be placed in an important position and emphasis placed on increasing the variety of designs, sizes, and colors and improving product quality in order to meet the needs of the market and the people's improved living standard.

Coastal Cities Economic Policy

HK051019 Beijing ZHONGGUO XINWEN SHE in Chinese 1303 GMT 4 Sep 84

[Text] Beijing, 4 September (ZHONGGUO XINWEN SHE) -- At a seminar of the Asia-Pacific International Trade Fair, Ge Jiwu, deputy director of the comprehensive economic department of the State Economic Commission, said today that China will allow the 14 coastal cities which are to open to the outside world to adopt some policies of special economic zones.

-- Foreign businessmen who invest in the 14 coastal cities will enjoy preferential treatment in their income taxes and in the import of production materials and the export of products, as in the special economic zones.

-- In these cities, procedures for approving construction projects based on foreign investment and the import of technology will be relaxed, and entry and exit procedures for foreign businessmen will also be simplified.

-- Foreign businessmen will be allowed to make exclusive investments and run their joint ventures on a longer-term basis.

-- They will also be allowed to sell a certain proportion of their advanced products on China's domestic markets.

Ge Jiwu said: Some of these cities will set up economic and technological development zones which can provide better conditions for the running of Chinese-foreign joint ventures, cooperation projects, and enterprises based on exclusive foreign investment.

The state will exempt the import of all machines, vehicles, and other materials and equipment needed by these coastal cities in the construction of their infrastructural facilities from taxes before 1990 and will also provide necessary low-interest and long-term loans for these projects. Enterprises in the economic and technological development zones will be exempted from any taxes within the first 5 years following formal establishment of these development zones.

PRC ADMITTED TO INTERNATIONAL POLICE ORGANIZATION

OW061313 Beijing XINHUA in English 1231 GMT 6 Sep 84

[Text] Luxembourg, September 5 (XINHUA) -- The 53d conference of the international criminal police organization (Interpol) voted 72 to 27 here today to admit China as an official member of the organization.

Delegates from Taiwan withdrew from the conference hall after the voting. Then, a delegation from China, headed by Liu Wen, entered the hall and took the seats for the People's Republic of China.

In his speech, Liu expressed his gratitude to the conference for its efforts to admit China into the organization. China will cooperate closely with the Interpol and its member countries and contribute to the struggle against international crime, he said. Delegates from many countries extended congratulations to the Chinese delegation.

INTERNATIONAL DESERT EROSION SYMPOSIUM OPENS

OW060735 Beijing XINHUA in English 0712 GMT 6 Sep 84

[Text] Lanzhou, September 6 (XINHUA) -- A two-week international symposium on the problems of controlling shifting sands opened in Lanzhou, capital of the northwest Chinese province of Gansu, on Wednesday. Attending the meeting, jointly sponsored by the UNESCO and the Chinese National Committee of Man and the Biosphere, are scientists from Australia, Egypt, India, Pakistan, Mexico, the Soviet Union, the United States and China.

At present, deserts in many parts of the world are expanding at the rate of 50,000 to 70,000 square kilometers annually, and desert areas account for 35 percent of the earth's land surface, threatening the livelihoods of 600 million to 700 million people. The participants mainly attributed desert erosion to the ecological imbalance caused by excessive land reclamation, livestock grazing and tree felling, in addition to sustained dry climates.

China has made progress in the battle against shifting sands and desert erosion by organizing people in the affected areas to work on project to half sand advance, and afforestation, as well as the establishment of various protective green shelter belts. As a result, 12 percent of the country's 320,000 square kilometers of desertified land has been improved and desert erosion controlled on a further 10 percent. China has also set up a desert research center in Inner Mongolia in a bid to reclaim deserts by studying ways of halting shifting sand, such as planting trees and grass, and developing the areas through forestry and agriculture.

INTERNATIONAL MATH. COMPUTER SEMINAR IN GUANGZHOU

OW061822 Beijing XINHUA in English 1621 GMT 6 Sep 84

[Text] Guangzhou, September 6 (XINHUA) -- The first International Seminar on Secondary Schools' Mathematics and Computer Education in China opened here today. The seminar, proposed by the British Council and set up by consultation with the Chinese Ministry of Education, was organized by the Education Department of Guangdong Province.

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The seven-day seminar will mainly discuss mathematics courses and content in middle schools; teaching methods; testing and grading policy; and computer education and its mathematical application. The seminar will be attended by a five-member British delegation headed by Douglas Quadling, senior lecturer at Cambridge Institute of Education and vice chairman of the school mathematics project, plus eighty-two Chinese professors, scholars, research workers, middle school heads and teachers from different parts of the country.

INTERNATIONAL WELDING CONFERENCE IN HANGZHOU

OW061840 Beijing XINHUA in English 1448 GMT 6 Sep 84

[Text] Hangzhou, September 6 (XINHUA) -- An international conference on quality and reliability in welding opened here today. About 300 participants are from 16 countries, including Britain, Canada, Czechoslovakia, France, Hungary, Japan, Federal Germany, the United States, Yugoslavia and China. They will present 110 papers during three-day conference, dealing with welding technology, tests, equipment and materials.

China has 10 welding research institutes. Twenty colleges run welding courses. The conference, the first ever held in China, is sponsored by the welding institution of the Chinese Mechanical Engineering Society and the Hangzhou International Convention Center.

RENMIN RIBAO CRITICIZES NEW U.S. TEXTILE RULES

HK070944 Beijing RENMIN RIBAO in Chinese 7 Sep 84 p 6

[Short commentary: "An Act of Benefiting Oneself at the Expense of Others"]

[Text] The U.S. Government recently promulgated new "country of origin" textile import rules which have aroused strong opposition both at home and abroad. The new rules promulgated by the U.S. Government are essentially aimed at using so-called "strict supervision of the country of origin for all imported textiles" to further limit textile imports, even at the expense of trade agreements already signed between the United States and foreign governments. This act of benefiting oneself at the expense of others is in violation of the conventional rules of international trade and harms normal international trade.

The Chinese side, through its ambassador to the United States, has protested to the U.S. Government, pointing out that these rules violate the spirit of the trade agreement between China and the United States, violate the basic principle of coordination as stipulated in the Multi-Fiber Agreement, and will seriously affect Sino-U.S. trade. At the economic conference of the textiles committee of the General Agreement on Tariffs and Trade held in Geneva, representatives from many Third World countries and regions, as well as from Western Europe, Japan, and Canada, all condemned these new U.S. rules on the import of textiles because they "sabotage lawful trade and further worsen the international trade environment," thus initiating a "dangerous precedent." This act by the United States of unilaterally forcing its terms upon others has been universally condemned by the international community, which fully demonstrates that this U.S. action violates the wishes of others and is absolutely irrational.

In the United States itself, many congressmen, retailers, importers, and farm owners have also opposed this arbitrary act of the government because they worry that these rules will cause great economic difficulties for certain trades in the United States. This concern is not without reason, because there is no cause to think that only the United States can restrain and harm others by unilaterally violating the international agreement and that other parties will not adopt corresponding measures.

With regard to the question of international trade, the U.S. Government has always advocated free trade and opposed trade protectionism. But in practice, especially when dealing with the problems of the textile trade and certain other commodities, it has repeatedly adopted stringent and discriminatory protectionist measures. What it demands of other countries is "freedom of trade," so as to open up markets for U.S. commodities; but with respect to the import of commodities from other countries to the United States what it practices is "trade protectionism," with barriers set at every access. It even arbitrarily sets rules and asks others to follow, thinking that others will yield to its pressure. As a matter of fact, in international trade, only implementation of the principle of equality and mutual benefit will help trade develop smoothly, while attempts to force one's will upon others will only harm trade relations between countries. In the end it will be hard for the United States to avoid eating its own bitter fruit.

BEIJING EXAMINES U.S. ELECTION CAMPAIGN

OW070409 Beijing Domestic Service in Mandarin 1150 GMT 6 Sep 84

["International Current Events" program: "On the State of U.S. Presidential Elections" by station reporter (Fu Yangfeng)]

[Text] U.S. presidential elections are held every 4 years.

Prior to each election, presidential candidates engage in long debates on various topics. U.S. presidential campaigns have often been described as dazzling political farces. So what kind of show is being staged during this year's presidential campaign? Let's analyze it briefly.

The U.S. Democratic and Republican Parties held their national conventions in mid-July and late August respectively. At the conventions party campaign platforms were adopted and presidential and vice presidential candidates of the two parties were nominated, with Mondale and Ferraro on one side and Reagan and Bush on the other. Because only about 2 months remain until the election date in early November, the campaign is now approaching its climax.

Reagan and Mondale have personally taken the field lately, seizing every opportunity to publicize their political views and to attack their opponent's weaknesses with stinging criticism, including personal attacks. Both the U.S. Democratic and Republican Parties are political parties of the bourgeoisie, so they have always been identical in protecting the fundamental interests of the monopoly capitalist class; but they often have differences in specific policies and tactics. The controversies arising from their differences are not only conducive to diverting voters' attention and to concealing society's fundamental contradictions, but are also advantageous for the monopoly class to select a better ruling method. The current controversies between Reagan and Mondale are centered primarily on the domestic economic situation, domestic policies, and the strategy against the Soviet Union.

In the 4 years since the last U.S. presidential election, the U.S. economy has gone through a downturn and an upturn, an economic crisis, a decline in production, and a drastic rise in unemployment followed by an economic recovery. Because the United States is still in the recovery stage, its production is growing at a fairly fast rate and unemployment has dropped. Moreover, inflation has been brought under control. Some newspapers have commented: President Reagan is luckier than former President Carter because he is running for reelection at a time when the country's economy is taking a turn for the better.

The Republicans regard the economic upturn as the main asset of their campaign. They have said proudly that the economic recovery has been brought about by Reagan's economic policy. The law of the cyclical character of capitalist economy has given Reagan an opportunity, but there are also contradictions and difficulties in the recovery period which are hard to overcome. The most prominent of these is the government's huge budget deficit. Its deficit in the current fiscal year has reached \$170 billion, setting an all-time high in the history of the United States.

The Democrats and Mondale have seized upon the question of deficits by launching an all-out attack on Reagan's economic policy. At the Democratic National Convention held in July, Mondale lashed out at the Reagan administration saying that the administration's financial deficit in 1 year exceeded the total deficits of the Carter administration in 4 years. In other locations the Democrats have criticized Reagan's economic policy as one of helping the rich and hurting the poor because the rich enjoy tax reductions while the poor suffer more. Mondale has said: To reduce the astonishing financial deficits, whoever becomes president will have to raise taxes. Reagan will raise taxes, and I will also raise taxes. Reagan will not tell you, but I just did.

U.S. public opinion holds that Mondale is taking a risk by uttering these remarks, because generally the voters will never support a tax increase. However, Mondale has dared to take the risk because he knows Reagan's weak points. Reagan's answer to the question of whether he will raise taxes has been weak and even contradictory. To reduce financial deficits, the Republicans have proposed a program of continued tax reductions instead of tax increases. Their reason is that tax reductions will stimulate economic development and that an economic upswing will increase state revenue.

The Republicans have also proposed to cut social welfare expenditures in order to alleviate the financial deficits. The Democrats have seized upon this point to attack the Republicans.

According to a report released recently by the Information Survey Bureau of the United States, the number of Americans living below the poverty line in 1983 rose by more than 200,000, and the national poverty ratio was 15.2 percent, the highest in the past 18 years. Mondale and his supporters have attacked the Reagan administration for pursuing an unfair policy of helping the rich and leaving out the poor, minority groups, women, children, old people, and the weak. These charges have caused the Republicans some embarrassment. To fend off the charges, Reagan has stressed that as the economy grows, more people will be employed and the lives of the poor will improve, adding that solely depending on government relief will not solve the problem because depending on government relief is like drug addiction.

Although the general economic situation is advantageous to Reagan, it is quite difficult for him to fend off some of Mondale's attacks which conform to facts. That is why Mondale has proposed six face-to-face debates with Reagan before the general election, but Reagan is in no hurry to respond to the proposal. In foreign affairs, Reagan has vigorously publicized that the military strength of the United States has been upgraded in the past few years. He has ridiculed Mondale as a weak and soft liberal.

The Democrats, however, have attacked Reagan for escalating the arms race, pointing out that Reagan is the only one of the last few U.S. Presidents who did not hold a summit meeting with Soviet leaders. Mondale has indicated that if he became president, his first priority would be to open a dialogue with the Soviets. The Democrats are also opposed to direct U.S. military intervention in Central America. However, the Republicans have publicized the U.S. armed intervention in Grenada as a glorious and historic mission worthy of praise.

There have been some changes in the Reagan administration's foreign policy in the past few months. For example, the United States has agreed to hold talks with the Soviet Union on banning space weapons and has indicated its readiness to attend a U.S.-USSR summit without preconditions. The United States is stepping up negotiations with Nicaragua and Cuba in Central America. These moves have been made, to a great extent, to suit the needs of the country's presidential campaign or to change Reagan's image as a hard-liner.

The U.S. presidential campaign is not entirely limited to debates on domestic and foreign policies, however. A trivial matter, or even some private matters, can sometimes become a topic of debate. While testing a microphone in mid-August before making a speech, Reagan said: The United States will start bombing the Soviet Union in 5 minutes. The remark drew strong reaction in the United States as well as in other countries after it was made public by the press. Mondale seized the opportunity to attack Reagan for making careless remarks. Mondale said, as President, Reagan should be very prudent in what he says.

In short, there are many topics for debate in the U.S. presidential campaign. Anything can happen as long as it is advantageous to the campaign.

LEADERS CELEBRATE AMERICAN ECONOMIST'S BIRTHDAY

OW061905 Beijing XINHUA in English 1442 GMT 6 Sep 84

[Text] Beijing, September 6 (XINHUA) -- More than 100 people, Chinese and foreign, gathered here this evening to celebrate the 75th birthday of Sol Adler, an American economist who has worked in China for many decades. Since the 1930s, Adler has sympathized with and supported the revolutionary cause of the Chinese people. He fled to England because of political persecution during the McCarthy era and settled in China in 1962.

Politically and economically knowledgeable, he is now an adviser to the Economic Research Center of the State Council and the Ministry of Foreign Economic Relations and Trade.

The party, co-sponsored by the center and the Association for International Understanding of China, was attended by party and state leaders Wan Li, Chen Muhua, Ji Pengfei, Wu Xueqian, Geng Biao and Huang Hua, as well as Adler's personal friends. They thanked Adler for his contributions to the revolutionary cause of the Chinese people and socialist construction for more than 50 years. Deng Yingchao sent flowers this morning.

Adler was absent from today's party because of illness. His wife Pat read his speech. Adler said, "I settled in China in 1963 for three reasons. First, I had and have tremendous faith and confidence in the Chinese people and its leadership. Second, I had and have tremendous faith and confidence in the cause of socialism. Third, I was able to work in China and wish to go on working here as long as possible for the cause of world peace, for the cause of friendship between the Chinese people and the people of the United States and of other countries, and for the cause of socialism."

HAN NIANLONG-LED DELEGATION ARRIVES IN NEW YORK

OW061047 Beijing XINHUA in English 1033 GMT 6 Sep 84

[Text] New York, September 5 (XINHUA) -- Han Nianlong, president of the Chinese People's Institute of Foreign Affairs and advisor to the Chinese Foreign Ministry, and his party arrived here today to attend the "dialogue of distinguished Chinese and Americans." The three-day off-the record meeting, which begins tomorrow at the Tarrytown Conference Center in the northern suburb of New York City, will be mainly devoted to discussions on the current international situation, Sino-U.S. relations, and other issues of common concern.

Co-sponsored by the Chinese People's Institute of Foreign Affairs and the American National Committee on U.S.-China Relations, the meeting will draw participants from the political, business and academic circles of both countries.

The U.S. delegation to the meeting is headed by Raymond Shafer, chairman of the National Committee on U.S.-China relations.

WORLD WAR II HUMP FLIERS HONORED IN OHIO

OW070017 Beijing XINHUA Domestic Service in Chinese 0923 GMT 1 Sep 84

[Text] Washington, 31 Aug (XINHUA) -- Chinese Ambassador to the United States Zhang Wenjin was invited to attend a monument-unveiling ceremony in Dayton, Ohio, held by the U.S. Hump Fliers Association on the morning of 31 August. The monument was erected in commemoration of those U.S. and Allied airmen who died in World War II flying over the Himalayas on air transport duty between India and Burma and China.

At the base of the monument lies a piece of Bao Shan rock donated by the Chinese People's Association for Friendship With Foreign Countries. Zhang Wenjin laid a wreath at the foot of the monument. He spoke at the ceremony, expressing thanks for the air transport service rendered to China by U.S. and Allied airmen in World War II. He also welcomed former airmen of the United States and the other allies to revisit China.

U.S. PROFESSORS WIND UP VISIT IN BEIJING

OW061743 Beijing XINHUA in English 1654 GMT 6 Sep 84

[Text] Beijing, September 6 (XINHUA) -- Xi Zhongxun, member of the Political Bureau of the Central Committee of the Chinese Communist Party, met with Professor Julia Wu, commissioner of the U.S. National Commission on Libraries and Information Science, and her husband Professor Alfred Wu here this evening. The meeting was followed by a dinner given by Xi. The Wus are leaving for home tomorrow after visiting Guangzhou, Shenzhen, Shanghai, Nanjing and Beijing.

UN RECEPTION MARKS U.S. LIAOWANG PUBLICATION

OW062006 Beijing XINHUA in English 1945 GMT 6 Sep 84

[Text] New York, September 5 (XINHUA) -- Chen Ji, director of the XINHUA office at the United Nations, gave a reception here this evening to celebrate the publication in New York and distribution in other U.S. cities and Canada of the Chinese news weekly OUTLOOK. About 200 guests attended the reception, which proceeded in an exceedingly warm atmosphere, including Chinese Ambassador to the United States Zhang Wenjin, who came from Washington specially for the occasion.

Addressing the gathering, Chen Ji extended welcome on behalf of Mu Qing, director of OUTLOOK to the noted figures and delegates of Chinese descent in U.S. publishing, cultural, scientific and business circles present at the reception. He thanked them for their backing of the weekly's publication in foreign countries.

Warmly congratulating its publication, the Chinese ambassador described the news weekly as instructive, which covers both domestic and international affairs. He expressed the belief that the weekly will help its overseas readers to know more about New China and the international situation. He wished that the weekly will play an ever bigger role in serving as a real "window" and "bridge", in contribution to China's four modernizations, national reunification, and to the promotion of friendship between the Chinese and American peoples.

The Synergy Publishing Inc. in New York, which undertakes the publication and distribution of OUTLOOK, presented the attending guests with copies of the weekly's first edition issued here on September 3.

Attending this evening's reception were Ling Qing and Liang Yufan, permanent and deputy permanent representatives of China to the United Nations; Ji Lide, China's deputy consul general in New York; as well as delegates of Chinese students in the United States. American friends Mrs Helen Rosen and Mr and Mrs Lincoln were also present.

SOVIET UNION CALLS ASEAN PLAN 'UNREASONABLE'

OW061833 Beijing XINHUA in English 1504 GMT 6 Sep 84

[Text] Moscow, September 6 (XINHUA) — The Soviet newspaper PRAVDA said today that ASEAN's demand for the withdrawal of Vietnamese troops from Kampuchea is unreasonable. Referring to the recent conference of ASEAN foreign ministers in Jakarta, the paper said the demand goes against the interests of the southeastern countries.

The 17th ASEAN foreign ministers' meeting, held in early July, dismissed Hanoi's call for a prompt dialogue with ASEAN as a propaganda ploy and demanded that Vietnam seek a solution to the Kampuchean problem. The foreign ministers said in a communique that they back the call made by Samdech Norodom Sihanouk for the national reconciliation among all factions in Kampuchea.

The Soviet paper accused the Jakarta conference of distorting the policies of the Indo-chinese countries and asked ASEAN to make positive response to Hanoi's proposals.

RENMIN RIBAO ON USSR EXPERIMENTAL ECONOMIC REFORM

HK060700 Beijing RENMIN RIBAO in Chinese 1 Sep 84 p 7

[Report: "Soviet Newspaper Urges Further Reform of Economic System"]

[Text] On 28 August, the Soviet trade union newspaper TRUD published an article calling for carrying out further experimental reform of the Soviet industrial system in order to enhance productivity and maintain the present economic growth rate.

The article said: Because there is an increasingly serious shortage in the labor force, the growth rate of investment has dropped over a number of 5-year plan periods; fuel and raw materials are also in short supply. The Soviet economy is confronted with the danger of stagnation. In the present situation, it is necessary to carry out further experimental economic reforms in order to maintain a normal economic growth rate.

Last January the Soviet Union began to reform the industrial system on a trial basis in a few departments. In these reforms, factory managers were given more decisionmaking powers and were required to bear more responsibilities. At the same time, workers' bonuses were linked with their productivity according to the principle of earning more if they contributed more. The author of the article held that the experiments have achieved initial results. He proposed that this type of experiment be furthered, with remuneration for work continuing to be the chief incentive, "which should be closely linked with the final results of enterprise activities."

The article also proposed revising the method of calculating an enterprise's wage fund. Concretely speaking, after deducting profits to be turned over to the state, the costs of raw material and fuel, the prescribed amount for depreciation of fixed assets, and the amount for the enterprise development fund from the sales of an enterprise's products, the remaining money should all be credited to the wage fund account. When the number of workers falls, the total amount in the wage fund should remain unchanged. In addition, the author also proposed adoption of the collective contract system between a government department in charge and enterprises and inside various enterprises. An enterprise should be authorized to handle its routine business and conduct economic accounting on an independent basis without intervention from the administrative department in charge.

WU XUEQIAN MEETS, FETES JAPANESE DELEGATION

OWO61325 Beijing XINHUA in English 1316 GMT 6 Sep 84

[Text] Beijing, September 6 (XINHUA) -- Wu Xueqian, Chinese state councillor and minister of foreign affairs, met and gave a dinner here this evening in honor of a Japanese delegation for promotion of Japan-China exchanges headed by Tatsuzo Mizukami, president of the Japan Trade Association.

Present on the occasions were Fu Hao, member of the Standing Committee of the Chinese National People's Congress, Liu Shuqing, assistant foreign minister, and Yosuke Nakae, Japanese ambassador to China. The delegation arrived in Beijing this afternoon as guests of the Ministry of Foreign Affairs.

SONG PING MEETS JAPANESE ECONOMIC GROUP

OWO61608 Beijing XINHUA in English 1511 GMT 6 Sep 84

[Text] Beijing, September 6 (XINHUA) -- Song Ping, state councilor and minister in charge of the State Planning Commission, met here this evening a delegation from Japan's Economic Planning Agency headed by Vice Minister Shoichi Tanimura. Song Ping said that the friendly exchanges between China and Japan had been greatly increased in recent years. Three thousand Japanese youths would visit China soon, marking a new level of Sino-Japanese friendship. Nongovernmental contacts of this kind would certainly promote the economic and cultural exchanges between the two countries, he said Tanimura said. Japanese delegations and famous people were visiting China continuously. That showed expanding and closer Japan-China relations.

Later, Song gave a dinner for Tanimura and his party. Present were Vice Minister of the State Planning Commission Chen Xian and Koji Watanabe, minister of the Japanese Embassy in Beijing. The delegation arrived in Beijing today.

FANG YI MEETS WITH JAPAN SCIENCE MINISTER

OWO61508 Beijing XINHUA in English 1453 GMT 6 Sep 84

[Text] Beijing, September 6 (XINHUA) -- State Councillor Fang Yi met here this evening Takaaki Yasuta, Japan's minister of state for science and technology, and his party, and exchanged views on strengthening scientific and technical cooperation between the two countries. Later, Fang Yi hosted a dinner for the guests. Takaaki Yasuta and his party arrived here today at the invitation of Fang Yi.

DPRK GIVES PRIORITY TO DEVELOPING LIGHT INDUSTRY

OWO60045 Beijing XINHUA in English 1921 GMT 5 Sep 84

[Text] Pyongyang, September 5 (XINHUA) -- The Korean Government is giving priority to the development of light industry as an important means to fulfill the Second 7-Year Plan (1978-84) for economic development and improve the people's living standards.

The output of light industry of the country increased by eight per cent in the first quarter of this year over the same period last year. The city of Pyongyang overfulfilled its production quotas by 36 per cent in the first half of this year. The city of Huichon, Chagang Province topped its production targets for consumer goods by five per cent each month this year largely through technical innovations. In Kangwon Province, the average monthly output of consumer goods has doubled this year.

A national exhibition on light industry was held here last August to introduce to the public an impressive array of new products and to promote the growth of light industry in the country. According to statistics of the national supervisory commission, more than 10,000 items of consumer goods, including bicycles and sewing machines, have been listed as "advanced products". The heavy industries have oriented themselves to serve the development of light industry.

It was reported that more than 1,400 workshops for producing daily necessities have been newly set up in plants this year. The government has also encouraged the unoccupied persons in cities and towns to run neighborhood cooperatives and household work-shops to produce daily necessities with materials left over by factories. In South Hwanghae Province more than 600 household workshops have been set up in the past few months. The household workshops in Pyongyang have turned out 620 items of daily necessities for the market in the capital.

BELJING RECEPTION MARKS DPRK NATIONAL DAY

OW061837 Beijing XINHUA in English 1450 GMT 6 Sep 84

[Text] Beijing, September 6 (XINHUA) -- The 36th anniversary of the founding of the Democratic People's Republic of Korea was marked at a reception here this evening. The reception was held by the Chinese People's Association for Friendship With Foreign Countries and the China-Korea Friendship Association.

Among those present were Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries, Li Zhimin, president of the China-Korea Friendship Association, and Han Xu, vice-foreign minister. Also present were Korean Ambassador to China Sin In-ha, diplomats of the Korean Embassy here, and representatives of Korean experts and students in Beijing. Wang Bingnan and Ambassador Sin In-ha spoke at the reception.

TIAN JIYUN MEETS JAPANESE BANK CHAIRMAN

OW061157 Beijing XINHUA in English 1148 GMT 6 Sep 84

[Text] Beijing, September 6 (XINHUA) -- Chinese Vice-Premier Tian Jiyun met Kisaburo Ikeura, chairman of the Industry Bank of Japan, and his party here this afternoon. In a friendly conversation, the two sides expressed belief that there are broad fields for the Japanese bank to cooperate with China in offering loans and making investments to help China develop energy, communications and urban construction. They were also optimistic about progress in this respect. Jin Deqin, president of the Bank of China, was present at the meeting.

Ikeura and his party arrived yesterday as guest of the Bank of China.

JAPANESE BUDDHIST DELEGATION VISITING PRC

Feted at Great Hall

OW052022 Beijing XINHUA in English 1508 GMT 5 Sep 84

[Text] Beijing, September 5 (XINHUA) -- A 220-member Japanese Buddhist delegation attended a banquet here this evening in the Great Hall of the People as guests of the Buddhist Association of China. The delegation arrived here yesterday for the inauguration ceremony of a memorial hall for Hui Guo and Kukai on September 8 in Xian Shaanxi Province. Kukai, a Japanese scholar-monk, came to China to study under the Venerable Hui Guo in A.D. 804.

Among the Japanese guests was Kenzaburo Hara, representative of Japanese Prime Minister Nakasone, and honorary advisor to the delegation. Zhao Puchu, president of the Chinese association, said in his address that the commemoration was of historic significance for Buddhism in China and Japan, attracting the attention of politicians in both. He hoped it would lead to more exchanges, Buddhist and otherwise. Ryusho Abeno, the delegation leader, said that the memorial hall indicated a bright new future for friendly relations between China and Japan. Yosuke Nakae, Japanese ambassador to China, was also present.

Meets Ulanhu

OW061159 Beijing XINHUA in English 1142 GMT 6 Sep 84

[Text] Beijing, September 6 (XINHUA) -- Chinese Vice-President Ulanhu met leading members of a visiting delegation from Japan's Shingon-Shu School of Buddhism here today at the Great Hall of the People. The delegation will attend the inauguration ceremony of a memorial hall for ancient Japanese scholar Kukai and his Chinese tutor, Hui Guo, in Xian, Shaanxi Province on Saturday.

Ulanhu said he hoped Buddhist exchange visits between China and Japan would increase. Ryusho Abeno, the delegation leader, expressed his thanks to the Chinese Government and the Buddhist Association of China for the construction of the memorial hall at Qinglong Temple, where Kukai studied at the Chinese esoteric school of Buddhism under Abbot Hui Guo in 804 A.D.

Kenzaburo Hara, representative of Japanese Prime Minister Nakasone and honorary advisor to the delegation, and Zitudou Matumoto, honorary leader of the delegation, attended the meeting. Also present was Zhao Puchu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference and president of the Buddhist Association of China.

JAPANESE PEACE GROUP TO VISIT SHANGHAI, NANJING

OW041417 Beijing XINHUA in English 1242 GMT 4 Sep 84

[Text] Tokyo, September 4 (XINHUA) -- Four hundred Japanese youths are now on their voyage for a visit to China's Shanghai and Nanjing. They left Yokohama by ship Sunday by way of Okinawa and Hong Kong. The visit, called the "1984's peaceful ship", was organized by students from Waseda University. Their advisers are Professors Nishida and Ogata from Hosei University, both anti-nuclear and peace movement activists.

During their stay in China, the young people plan to discuss the issue of war and peace and to study how to carry out an anti-nuclear movement. It was reported that among the visitors there is a former soldier who took part in the Japanese war of aggression against China. He will tell these young people about the Nanjing Massacre with his own experience and admit his guilt to the Chinese people.

The 10,000-ton ship named Japan will return to Tokyo on September 17.

AUSTRALIAN AVIATION GROUP ARRIVES IN BEIJING

OWO61705 Beijing XINHUA in English 1627 GMT 6 Sep 84

[Text] Beijing, September 6 (XINHUA) -- An Australian delegation headed by Kim Beazley, minister for aviation, arrived here tonight to attend the inaugural celebration of the direct air service between China and Australia and to sign an aviation agreement between them.

The 42-member delegation was greeted at the airport by Shen Tu, director general of the Civil Aviation Administration of China, and He Rouguan, deputy director general of the National Tourism Administration. The delegation will spend 6 days visiting Beijing and Guangzhou.

CAAC and Qantas will operate direct air services on Wednesdays and Sundays.

FUJIAN DELEGATION FETED IN AUSTRALIA

OWO62034 Beijing XINHUA in English 1957 GMT 6 Sep 84

[Text] Canberra, September 6 (XINHUA) -- The Vice-Governor of China's Fujian Province Cai Ninglin was honored at a luncheon here today given by Australian Deputy Prime Minister Lionel Bowen. Leading an economic delegation of his province, Cai arrived in Australia on August 27.

Before the luncheon, Bowen met with Cai and other members of the delegation. During the visit, the delegation, which had toured Victoria and Queensland before came here today, finalised agreements with BHP, Australia's biggest company, on the construction of a cement plant at Shunchang, Fujian Province. The delegation will also visit New South Wales before leaving for home.

JUSTICE MINISTER LEAVES FOR THAILAND 7 SEP

OWO70247 Beijing XINHUA in English 0222 GMT 7 Sep 84

[Text] Beijing, September 7 (XINHUA) -- Chinese Minister of Justice Zhou Yu and his party left Beijing this morning for a nine-day friendship visit to Thailand at the invitation of the Thai Supreme Court (Dika Court) and Ministry of Justice.

Before his departure, Zou told XINHUA that the purpose of his visit is to develop the friendship and exchanges between the two countries and study the Thai judicial system and the country's experience in this field.

Seeing them off at the airport were Chinese Vice-Ministers of Justice Zhu Jianming and Zheng Xiwen, and Thai Ambassador to China Orachun Tanaphong.

GENG BIAO RECEIVES BANGLADESH'S MOUDUD AHMED

OW050721 Beijing XINHUA in English 0640 GMT 5 Sep 84

[Text] Beijing, September 5 (XINHUA) -- Geng Biao, vice-chairman of the Standing Committee of the Chinese National People's Congress, had a friendly conversation here today with Moudud Ahmed, former Bangladesh deputy prime minister, and Mrs Ahmed.

Xu Hanbing, vice-president of the Chinese People's Institute of Foreign Affairs, and K.M. Kaiser, Bangladesh ambassador to China, were present at the meeting. The Bangladesh couple arrived here September 3 on a friendly visit at the invitation of the Chinese People's Institute of Foreign Affairs.

ZIAUL HAQ OPENS PRC PAVILION AT TRADE FAIR

OW012026 Beijing XINHUA in English 1618 GMT 1 Sep 84

[Text] Islamabad, September 1 (XINHUA) -- The Pakistan International Trade Fair - 1984, the first since independence, opened here today with the participation of 32 countries and regions in Asia, Europe and North America.

Addressing the inaugural ceremony, Pakistani President Ziaul Haq said that he hoped the fair would help bring the nations together with further understanding, which, he said, could promote peace and order in the world today. The three-week fair, sponsored by the Federation of Pakistani Chambers of Commerce and Industry, is intended to advance Pakistan's foreign trade and boost its national economic development.

Enterprises from all parts of Pakistan set up 150 pavilions and stalls displaying a wide variety of products ranging from machinery to daily necessities, in a show of Pakistan's achievements in recent years and the nation's enterprising spirit.

President Ziaul Haq cut the ribbon for China's pavilion to warm applause. He toured the pavilion with great interest and was presented with a replica of a Tang Dynasty trichrom porcelain horse by the staff. On leaving, the president told Chinese reporters that he highly admired China's progress. Ziaul Haq extended his warm congratulations on behalf of the government and people of Pakistan.

China, the biggest foreign government participant, is showing light industrial and textile products and some machines and chemicals, as well as handicrafts. They include the world renowned pottery and porcelain products of Jingdezhen consisting of a 45-piece celadon-ware Western-style dinner service, eggshell china, reproduction Tang Dynasty trichrome ware, Beijing cloisonne and elegant hand-made carpets and rugs.

The Japanese pavilions, the biggest in the private sector, have a safe lead in machines and domestic electrical appliances. Other countries, such as Bangladesh, Nepal, and Sri Lanka, also have indigenous products on display.

ITALIAN SENATE PRESIDENT EMBARKS ON PRC VISIT

OW060047 Beijing XINHUA in English 1926 GMT 5 Sep 84

[Text] Rome, September 5 (XINHUA) — President of the Italian Senate Francesco Cossiga left here today for an official visit to China.

He told the press at the airport before his departure that the main purpose of his China trip was to have contacts with the leaders of the Chinese National People's Congress, government and Communist Party and to express the admiration of all political forces in Italy for the efforts made by China in the cause of peace. He added that the trip would be a continuation of the relations with China he established when he was prime minister.

Welcomed by Huang Hua

OW061816 Beijing XINHUA in English 1648 GMT 6 Sep 84

[Text] Beijing, September 6 (XINHUA) — China hopes to cooperate with Italy and other countries to prevent the superpowers from escalating the nuclear arms race.

Huang Hua, vice chairman of the Standing Committee of the National People's Congress, said this at a banquet welcoming Italian Senate President Francesco Cossiga given by the NPC Standing Committee here this evening. He said that China since its founding had devoted itself to safeguarding world peace.

"We appreciate Italy's efforts to safeguard peace and develop relations with the Third World, and hope that Italy will play a greater role in international affairs," he said.

Huang said that friendship and cooperation between the two countries in politics, economy, culture, science and technology had progressed since the establishment of diplomatic relations. He also mentioned the successful visit of Chinese Premier Zhao to Italy last June and the constant contacts between the two parliaments.

Cossiga said that China had in the course of history developed a distinct civilization. The West was eager to know the East and hoped for fruitful contacts, especially in trade. He agreed that since the establishment of diplomatic relations between Italy and China in 1970 relations had strengthened and developed and cooperation had reached a new high. He hoped that Italy, with government help, would explore more economic cooperation with China.

Cossiga stressed that all countries, regardless of social systems, should strive toward cooperation and unity. Italy would seek neither to threaten nor dominate others. In such a spirit Italy would continue to try to build a united Europe.

Present at the banquet were Wang Hanbin, secretary-general of the NPC Standing Committee, and Raffaele Marras, Italian ambassador to China.

Met by Peng Zhen

OWO61914 Beijing XINHUA in English 1839 GMT 6 Sep 84

[Text] Beijing, September 6 (XINHUA) -- Chinese and Italian congressional leaders today hailed the fine Sino-Italian relations and joined in calling for the preservation of world peace. In a meeting here this evening with Italian Senate President Francesco Cossiga, Peng Zhen, chairman of the National People's Congress Standing Committee, said that world political, economic and cultural developments had gradually turned all countries into an organic part. They should cooperate more in a spirit of mutual respect for independence and sovereignty toward equality and mutual benefit. Cossiga agreed and said that the independence and security of a country did not depend on that country alone. Aid to the developing countries should not become neo-colonialist interference.

Peng also said that to safeguard world peace, hegemonism must be opposed. Only with the unity of all peace-loving countries and peoples, including those of the Soviet Union and United States, could world peace be safeguarded and a new world war prevented. Peng said there were no conflicts of interest between Italy and China, which agreed on many world issues. Cossiga said Italy had no imperialist intentions toward China and that all peace-loving countries should help China in its modernization, which was of world concern. Peng asked Cossiga to convey his greetings to Italian President Sandro Pertini.

Present at the meeting were Huang Hua, vice-chairman of the NPC Standing Committee; Wang Hanbin, secretary general of the NPC Standing Committee; and Raffaele Marras, Italian ambassador to China. Cossiga arrived here this afternoon at the invitation of the Chinese NPC Standing Committee. This afternoon he visited the grave of Matteo Ricci, a 16th-century Italian Jesuit missionary to China.

Huang, Cossiga Confer

OWO70815 Beijing XINHUA in English 0753 GMT 7 Sep 84

[Text] Beijing, September 7 (XINHUA) -- Huang Hua, vice-chairman of the National People's Congress (NPC) Standing Committee, today exchanged views with Italian Senate President Francesco Cossiga on furthering Sino-Italian friendly relations and cooperation, and on increasing contacts between the two parliaments.

During their talks here this morning Huang Hua briefed Cossiga on the structure and functions of the NPC. He said it is China's consistent policy to strengthen links between the NPC and the parliaments of other countries. China attaches great importance to developing its trade and economic relations with Italy and other Western European countries. There has been a good beginning in cooperation between China and Italy and the prospects are bright, he added.

Cossiga stressed once again the importance of strengthening relations between the two governments and of undertaking nongovernmental contacts. He also raised suggestions on increasing contacts between the two parliaments and exchanges between the two countries in the economic, educational and tourism fields. Taking part in the talks were Hao Deqing and Ding Guangen, member and deputy secretary-general of the NPC Standing Committee, respectively, and Raffaele Marras, Italian ambassador to China.

FURTHER REPORTAGE OF LI XIANNIAN'S SFYR VISIT

Hao Jianxiu Comments

OWO61845 Beijing XINHUA in English 1830 GMT 6 Sep 84

[Text] Belgrade, September 6 (XINHUA) -- Hao Jianxiu, alternate member of the Secretariat of the Chinese Communist Party Central Committee, told XINHUA shortly before her departure for home that Chinese President Li Xiannian's visit to Yugoslavia will push forward the friendly cooperation between the two countries.

Hao, who accompanied President Li on the recent visits to Romania and Yugoslavia, said that she observed the vigorous economic growth in Yugoslavia, and felt the sincere friendship of the Yugoslav people toward the Chinese people. She spoke highly of the efforts made by the Yugoslav party, government and people in the past 30 years maintaining the fundamental principles and the correct orientation of the Nonaligned Movement. Hao also praised Yugoslavia's contributions to the relaxation of tension in Europe and the world and to the safeguarding of world peace. "We Chinese Communists have always supported the Nonaligned Movement and the nonaligned policy pursued by Yugoslavia. We heartily admire the indomitable spirit of our Yugoslav comrades," she said.

She noted that since the Second World War, per capita national income in Yugoslavia has increased by 10 times. Hao said this rapid development is a strong proof of the truth that all communist parties must combine Marxism with the concrete practice of their countries.

"We immersed ourselves in a jubilant wave of the Sino-Yugoslav friendship during our seven-day stay in Yugoslavia. President Li's visit to Yugoslavia, the first by a Chinese head of state, has pushed to a new stage the relations of friendly cooperation between the two countries characterized by a prolonged, stable and overall development," she said.

Yugoslav Papers Comment

OWO62010 Beijing XINHUA in English 1950 GMT 6 Sep 84

[Text] Belgrade, September 6 (XINHUA) -- Chinese President Li Xiannian's visit to Yugoslavia was described by POLITIKA and BORBA, the two major newspapers in this capital, as a success in promoting friendly relations and cooperation between the two countries.

A POLITIKA commentary today says that Li's visit "has brought the two countries' views on world issues and bilateral cooperation even closer to each other." The visit has helped put the bilateral relations and cooperation on a more enduring and stable basis.

A BORBA commentary today notes that the meeting of the top leaders of the two countries has strengthened, developed and broadened the relations between the two countries on the basis of equality, non-interference in each other's internal affairs, and mutual respect. In observing these principles, the people of the two countries feel closer to each other and share the fundamental interests in promoting peace and cooperation on an equal footing.

The commentary goes on to say, "In the talks in Belgrade, the two sides emphasized the need for an end to the arms race and relaxation of world tension. This shows that they, while desiring to develop their bilateral relations smoothly, want to make joint efforts, through such international organizations as the United Nations, to build confidence among those nations which are confronting each other politically, economically and militarily."

The commentary points out the friendly dialogue "proves that a smaller country can cooperate with a bigger nation in all matters in all fields. However, this criterion of international conduct has been abandoned today. There is, on the contrary, control, threat, blackmail, and even armed intervention under various pretexts."

In conclusion, it says that the smooth development of Yugoslav-Chinese relations proves that the surest way to a healthy relationship lies in understanding of each other's peculiar historical conditions, awareness of the reality, pursuit of an independent course and respect for the policies of each country.

CHEN MUHUA TO VISIT SFRY, BULGARIA, GDR

OWO61233 Beijing XINHUA in English 1154 GMT 6 Sep 84

[Text] Beijing, September 6 (XINHUA) -- Chen Muhua, Chinese state councillor and minister of foreign economic relations and trade, will pay an official visit to Bulgaria and the German Democratic Republic in mid-September. Chen told XINHUA today that China set great store by its friendly relations with Bulgaria and Democratic Germany and was willing to expand and strengthen bilateral economic ties, trade, scientific and technical cooperation on the basis of equality and mutual benefit.

She said that during her visit she would have wide-ranging discussions with leaders of the two governments on furthering bilateral economic and trade relations, and sign a relevant agreements. Chen described her visit as a chance for her to learn from the two countries' experience in socialist construction. She hoped that the visit would promote mutual understanding and traditional friendship between the Chinese people and the people of the two countries.

Before her visit to Bulgaria and Democratic Germany, Chen will first go to Yugoslavia to attend the fourth session of the Sino-Yugoslavia Mixed Committee for Economic, Scientific and Technological Cooperation held in Belgrade.

HUNGARIAN VICE PREMIER ENDS 12-DAY VISIT

OWO12142 Beijing XINHUA in English 1433 GMT 1 Sep 84

[Text] Beijing, September 1 (XINHUA) -- Hungarian Vice Premier and Chairman of the Government Economic Commission Jozsef Marjai left here for home today after concluding his official, 12-day visit to China. Marjai was seen off at the airport by Zhu Rongji, Chinese vice minister of the State Economic Commission, who had accompanied him on a tour of Xian, Chongqing, Shanghai and Wuxi.

STATE ECONOMIC COMMISSION IMPROVES PERFORMANCE

OWD60915 Beijing XINHUA Domestic Service in Chinese 1143 GMT 5 Sep 84

[By reporter Ding Genxi]

[Text] Beijing, 5 Sep (XINHUA) — Note from the Central Commission for Guiding Party Rectification: Members of the leading party group of the State Economic Commission have energetically encouraged the investigation and study of conspicuous problems discovered in the course of comparing and examining performance in party rectification. Owing to their in-depth investigation, they have found solutions to key problems in the commission's operations. This process should be encouraged because it is essential in doing a better job in rectifying party organizations, reforming our work, and making our leadership more efficient and more scientific. An important aspect of improving the work style of the leading organs at various levels is to do away with their bureaucratic attitude of acting like "official organs" and have them wholeheartedly serve the people and the grassroots units, not the other way around. When this can be done, what used to be difficult problems for leading organs will ease and the people will become more supportive of the work of various leading organs. (end note)

Recently, on a State Economic Commission report on how the problem of a seriously misaligned scale was handled, a leading comrade of the central authorities commented: "A job well done. It is hoped that major problems found in our work can be resolved by carrying out more investigation and study." Since the correction phase began in the course of party rectification, the State Economic Commission's leading party group has energetically encouraged investigating problems discovered in the course of comparing and examining their performance in party rectification and has earnestly resolved a number of major operational problems.

In February, and in the course of rectifying the party organizations, the State Economic Commission's leading party group began to compare and examine its performance. To pinpoint the problems, the group extensively solicited opinions from cadres and masses inside and outside the commission. After six revisions of its comparison-examination report, the commission began its comparison and examination project collectively on 11 May. Attention was directed to three main issues: 1) The commission was still unable to achieve better economic performance as required by the general target set forth by the party; 2) the commission was still unable to fully emancipate its mind, still lacked courage to reform and bring forth new ideas, and still lacked an exploratory spirit; and 3) the commission's leadership style was still bureaucratic, its research was not systematic, and its operation was affected by disputes over trivial matters.

From comparing and examining its performance in party rectification, the commission's leading party group realized that, since the commission is a multipurpose economic establishment, it must consider its main objective the achievement of better economic results and must work hard with other departments to achieve unity in economic growth and performance as well as unity in production and circulation of commodities so that economic development can proceed steadily and quickly toward the "quadruplication" target.

To achieve this operational change, the commission's leading party group decided to explore a new situation for the commission's operation, beginning with investigating and settling the problems that had been discovered. It has succeeded in three areas:

First, mobilizing the principal leaders to take the lead in carrying out investigation and study at the basic-level units, with the hope that problems can be resolved on the basis that the actual situation is fully understood.

Thus, the secretary, deputy secretaries, and members of the leading party group, as well as the leading members, advisers, and leading cadres in charge of all departments, bureaus, and offices under the commission, have gone all-out to investigate and study. By mid-August, the commission had dispatched 85 investigative groups with a total of 325 personnel to conduct investigation in 17 provinces, autonomous regions, and municipalities directly under the central government, 28 prefectures and counties, and hundreds of enterprises. It has been unprecedented for the commission to have mobilized so many people and to have spent so much time on such an extensive investigative project.

Second, achieving greater efficiency in investigation as the focal point and the goals of investigation have become clearer. Prior to the investigation, the commission's leading party group held many meetings to analyze and study the hundreds of opinions from cadres and masses inside and outside the commission. The commission's leading party group classified them under 48 topics in three categories, and then demanded that the investigative groups study the opinions and carry out investigation selectively, with some specific purpose in mind. Because it has clear-cut requirements and goals, the investigative groups have written substantial investigative reports with solutions to certain problems. Some reports have already been transmitted to all parts of the country by the CPC Central Committee and the State Council; others are being studied by the State Council or are being used by other central departments as points of reference in drafting new documents.

Third, solving problems while conducting investigation and study. Instead of merely conducting investigation and refusing to make known their positions as in the past, all investigative groups now strive to investigate and solve the problems that they have discovered. When an investigative group sent to northeast China was investigating state-owned enterprises in Shenyang and Dalian, they found that many enterprises were still worrying about turning over the administrative responsibilities to the factory directors (or managers) or giving these enterprises greater decision making authority, saying that doing so would weaken the party's leadership and democratic management. The investigative group immediately called a forum to expound the relevant principles, enlighten the leaders of those enterprises, and eradicate their worries, thus expediting the project. The leading comrades of many enterprises said happily: In the past, when the higher authorities handed down their documents, we already had our hands full of problems; and they would not come to our aid unless we kept them informed of those problems. This time the investigative groups have come with the documents, and when they find a problem they help us solve it immediately. Party rectification has certainly improved the leading organs' work style.

After ascertaining the situation, the investigative groups also dare to take decisive steps to settle certain long-standing disputes. For example, owing to differences of opinion between the Ministry of Railways and the Ministry of Communications, the railway-and-highway coordinated transportation service could never develop efficiently. After four investigations, the Communications Bureau of the State Economic Commission went to the heart of the matter, proposed solutions acceptable to both ministries, and presented to the State Council a draft on some policies governing highway-and-railway coordinated operation. Thanks to eliminating a fear of difficulty, certain long-standing disputes that had never been resolved despite repeated mediation have also been settled by the bureaus concerned under the State Economic Commission and on the basis of thorough investigation and study.

At the same time, the leading party group of the State Economic Commission has also paid attention to studying and solving new problems discovered in the course of investigation. For example, reports about the feasibility of importing equipment and technology for developing seabed petroleum used to be referred to the State Economic Commission by competent authorities for examination and approval. This practice often delayed the import of necessary technology. Now the State Economic Commission has delegated examination and approval to the competent authorities, and all the commission has to do is add its stamp of approval. Because of this change, a report that formerly took some 60 days for examination and approval now requires only 20 days.

EDITORIAL EXAMINES NEED TO DEVELOP FOOD INDUSTRY

HK061229 Beijing RENMIN RIBAO in Chinese 4 Sep 84 p 1

[Editorial: "Food Industry Must Become an Important Pillar of the National Economy"]

[Text] Over the past few years, a relatively greater development has been achieved in China's food industry. Its output value in 1983 made up 12 percent of China's total industrial output value and ranked third among all industrial departments. However, our food industry is still rather backward compared with some developed countries: The output values of their food industries are generally higher than their agricultural output values, and in some the output values of their food industries are even 100-200 percent higher than their agricultural output values. However, the output value of China's food industry is only about one-third of its agricultural output value, and does not match its position and role in the entire national economy. The emphasis of China's modernizations drive is laid on agriculture. Most agricultural and sideline products can become commodities only after being processed by the food industry, and can be used in a comprehensive way only through extensive processing. Without this, economic returns cannot be raised and the benign circulation of agricultural and sideline production cannot be promoted.

As a result of implementing various rural economic policies, our agricultural and sideline production has rapidly increased. In many localities, there have appeared gratifying scenes characterized by "full granaries" and "full oil jars." In order to preserve and transport these agricultural and sideline products and to balance surplus and deficiency, they must be processed. However, since our country is backward in its food industry, many agricultural and sideline products have not been processed in good time and have long been kept in stock. As a result, many of them have rotted, causing serious waste. If this situation is not changed as soon as possible, the enthusiasm of the peasants in production will inevitably be dampened, further development of agricultural production will be obstructed, and construction of the four modernizations will be affected. Therefore, it is a pressing task for us to greatly develop our food industry in a relatively short period.

Food constitutes the material foundation for the subsistence of mankind and social development. Nutrition will affect not only the health of the people of our generation, but also the growth and the intellectual development of future generations. With the increased income and improved living standards of both urban and rural people in our country, the food industry has been required to provide people with various high-quality, nourishing, and special flavor foods. As the number of families with both husband and wife working increases, people have a strong desire to free themselves from unnecessary cooking to have more time to study, work, and engage in recreational activities. Thus, more nonstaple food and fast food, which is good, inexpensive and easy to eat, is required to be supplied. Food industry development will not only save cooking time for thousands upon thousands of households through factory production, but will also help improve food hygiene and improve those food processing methods that are unscientific and irrational, and that reduce nourishment. Socialization of food production will also be helpful in improving the food pattern of the people and improving nourishment.

The food industry must become one of the pillars of China's national economy. This is the general trend. However, some comrades hold that at present, people already have quite sufficient grain, oil, and vegetables to eat, and sometimes they also have meat and fish to improve their dishes. Thus, they must be perfectly content with this, and it is not necessary to make great efforts to develop the food processing industry. This is in reality a reflection of the small peasant economic ideology, which is characterized by self-sufficiency. Obviously, this ideology cannot suit the needs of the construction of the four modernizations.

The food industry is a rising new force on the industrial front. In its development, it is necessary not only to deepen understanding, but also to formulate specific policies. As the foundation of our food industry is weak, equipment is outdated, and technology is backward, there have been very few varieties of food in our urban and rural markets, especially in the rural markets, and their quality has been low. To change this situation, it is necessary to relax our policies and to support the development of the food industry in terms of loans, taxes, and funds. In doing so, it seems that the state will get less money from this trade in the short term, but looking at the long term, we realize that it is beneficial to our state. This is because when the food industry is developed, agricultural and sideline product losses as well as the state's subsidies will be reduced. As the people's livelihood improves and more commodities are in the markets, the withdrawal of currency from circulation will be quickened and the state's industrial and commercial tax revenue will also be increased. Sichuan's Guanghan County has called this method one of "raising hens to lay eggs." Over the past few years, this county has made remarkable achievements by supporting the food industry in various fields, including credit loans, tax revenue, production and sales, and material supply. Using tax revenue as an example, from 1980 to 1983 taxes on food industry enterprises were reduced or remitted to the extent of about 1.07 million yuan, but in the same period the taxes paid by the food industry of this county reached 8.69 million yuan, more than 700 percent more than the sum of taxes reduced or remitted.

Gathering funds to run factories is an important channel for speeding up the development of the food industry. At present, the state is unable to allocate much money to develop the food industry. As the food industry is characterized by its small scale, small investments, and quick returns, gathering funds to run factories will help open all avenues for financial resources, mobilize the initiative of various fields, reform old enterprises and build new ones, and develop new products. At the same time, it can also promote transprofessional, transregional, and transdepartmental cooperation. Thus, the food industry will be rapidly developed in our vast land.

COMMENTARY ON MACHINE BUILDING INDUSTRY REFORM

HK060546 Beijing RENMIN RIBAO in Chinese 1 Sep 84 p 2

[Commentary by reporters Wang Zheng and Mo Xinyuan: "Correctly Understand Simplification of Administration and Delegation of Power"]

[Text] Streamlining administration and delegating power to the lower levels is an important measure for urban reform as well as an important component of management system reform in the machine building industry. Streamlining administration, delegating power to the lower levels, ending the separation of regions from departments in the machine building industry, and developing specialized production can effectively raise the economic results of the machine building industry.

But some people think that after streamlining administration and delegating power to the lower levels, the responsible departments will not have much to do. A responsible person of a province's machine building department said that with delegation of power to the lower levels, the department might become superfluous, as it would not exercise direct control over enterprises. Although not many people hold such a view, this problem must be resolved successfully. Otherwise, two abnormalities will possibly emerge: One is being unwilling to delegate power to the lower levels and the other is adopting a passive attitude and letting people do whatever they like. This is detrimental to reforms.

It is quite imperative to correctly understand the significance of streamlining administration and delegating power to lower levels. Streamlining administration means streamlining the administration exercised by the responsible departments over specific production tasks.

Streamlining administration in this manner will help the responsible departments free themselves from specific production tasks so that they can devote more time to studying the macroeconomy, which is a more important matter. Delegating power to the lower levels means delegating production and management power to enterprises so that they use this power to bring their initiative into full play and to enliven enterprises.

Only by freeing oneself from trifles can one do something big. After streamlining administration and delegating power to the lower levels, the responsible departments will have much to do. They should strengthen the administration of the macroeconomy and the power to manage it. After streamlining administration and delegating power to the lower levels in the machine building industry, there will be a great change in the management work of the responsible departments. In the past, the Ministry of the Machine Building Industry managed only 10,000 enterprises; in the future, it will manage 100,000 enterprises. In the past, a provincial or regional machine building industry department managed only about 10 enterprises to dozens of enterprises; in the future, it will manage several hundred to several thousand enterprises. Responsible departments at all levels should strengthen their investigation work, strive to obtain economic information, do a good job in carrying out economic forecasts and overall planning, and manage the macroeconomy well so as to serve the microeconomy. Some of the tasks can be improved and perfected on their original basis, but many call for the spirit of endeavor.

Therefore, streamlining administration and delegating power to the lower levels in the course of the machine building industrial system reform does not mean just transferring power from one level to another; it means summing up practical experiences and carrying out division of work in a scientific manner between administration and enterprises. Responsible departments at all levels should deepen their understanding of the importance of streamlining administration and delegating power to the lower levels, enhance their consciousness in streamlining administration and delegating power to lower levels, and constantly promote reform work.

COMMENTARY ON RETURNING CONFISCATED PROPERTY

HK070600 Beijing RENMIN RIBAO in Chinese 1 Sep 84 p 4

[Commentary by RENMIN RIBAO reporter: "Attention Must Be Paid To Sorting Out and Returning To Their Owners Personal Property Searched and Confiscated During the 'Cultural Revolution'"]

[Text] In the summer of 1966 an evil wind of searching people's houses and confiscating their personal property was stirred up in Beijing, soon spreading to every corner of the country. In Beijing alone, more than 100,000 houses were raided in 20 days or so, and we cannot tell how many families were unable to escape this inexorable fate throughout the country. The disaster has been over for about 20 years, but some problems left over have not yet been completely resolved.

Since the 3d Plenary Session of the 11th CPC Central Committee, through arduous efforts of party committees at various levels and the departments concerned, we have returned confiscated personal property to a considerable number of families, while correcting the party's guiding ideology and redressing wrongs suffered by those who were unjustly, falsely, and wrongly charged. In Beijing, families that have had their confiscated personal property returned comprise 93 percent of the total number of those searched. Last December the United Front Work Department of the CPC Central Committee and the National CPPCC Committee jointly held a forum on the implementation of policies, particularly discussing the problem of sorting out and returning to the original owners the personal property searched and confiscated during the "Cultural Revolution."

Central leading comrades also spoke at the meeting. Last April a fact-finding team of the United Front Work Department of the CPC Central Committee and the National CPPCC Committee undertook a second inspection of various places in the country. All this has given great impetus to the work of sorting out and returning confiscated personal property to its original owners throughout the country. Beijing, Tianjin, Shanghai, Jiangsu, Wuhan and other places have undertaken such work, inspecting warehouses and making arrangements for returning personal property. However, there are still tremendous hindrances in the way of this work at present.

These hindrances can mainly be seen from the following: A small number of party and government cadres pay scant attention to this work. They take a perfunctory or negative attitude, or even deliberately loaf in doing this work. Some of these people fail to understand the importance of such work, some were directly or indirectly involved in acts of searching people's houses and confiscating their personal property in those years, and some fished in troubled waters and obtained illegal personal gains by taking advantage of the opportunity. We should enlighten those comrades who fail to understand the importance of this work by the method of persuasion and education to enhance their level of consciousness in the work, but we should criticize the rest of them and take appropriate measures against them according to their attitude toward mistakes.

During the "Cultural Revolution" some units purchased, received and kept, or took care of some confiscated property. They protected cultural relics and precious property at a time when the practice of beating, smashing, and looting ran wild and public order was in great chaos. What they did must be regarded as positive. Now when we are about to return these things to their rightful owners, they are somewhat unwilling to part with them. They worry about returning the "national treasures" to their original owners. However, it is our belief that most of the owners will properly take care of the valuable cultural relics after they are returned. If they present these valuable things to government organs of their own accord, we must thank them, and state administrative departments of historical relics should reimburse them at a reasonable price. Our principle is that all confiscated property, even including "national treasures," should be returned to their rightful owners.

True, the work of sorting out and returning to their original owners personal property searched and confiscated during the "Cultural Revolution" is difficult and complicated, because much was burned, smashed, or lost in those years. Some confiscated things were not registered and no receipts were given to their owners; or even if they were registered, the present whereabouts of their owners is unknown. Some confiscated items provide no leads in looking for their owners. Some of them were altered or were sold by the departments concerned, so it is impossible for us to determine the original owners. Some confiscated things were appropriated or "sold at a very low price" by those who made a fortune during the "Cultural Revolution" (families that were raided say they vehemently hate those who embezzle confiscated things). Furthermore, the confiscated items not yet sorted out and returned are mostly valuables belonging to families of important figures. All of these problems do exist in reality, which have indeed brought many difficulties to the work of sorting out and returning confiscated things. This requires common efforts and close cooperation by all departments concerned to overcome these difficulties and make a success of this work. The departments in charge of sorting out and returning confiscated things, the units for purchasing and taking care of these things as well as all other departments and units concerned should do such work well. Those who took part in acts of searching houses and confiscating property in those years should voluntarily provide clues to leading organizations, and should return their illegally gained personal property.

VETERAN CADRE COMMENTS ON TRUSTING YOUNG CADRES

HK061207 Beijing RENMIN RIBAO in Chinese 1 Sep 84 p 1

["Today's Talk" column by Li Zhixue: "Adding a Point to the Commentator's Articles"]

[Text] RENMIN RIBAO has successively published several commentator's articles on how to bring into play the role of new cadres. As a cadre over 60 who began to take part in work in the early period of the war of resistance against Japanese aggression, I quite agree with the articles. If the problems mentioned in the articles are not resolved, the structural reform results will be affected. I would like to add some points to the articles.

Although some veteran comrades have withdrawn to the second or third line, they are still exercising "remote control." Sometimes one veteran comrade can "veto" a decision made by a party committee. Veteran comrades who are not party committee members should work under the leadership of party committees. However, some of them place themselves above party committees and order party committee members to ask them for instructions.

If these abnormal practices are not corrected in a timely manner, the party's democratic centralism will be disrupted and the principle of the individual being subordinate to the organization, the minority to the majority, and the lower level to the higher level will become nothing. Still less will it keep abreast of the CPC Central Committee politically!

To implement the policy of the "four transformations" of cadres, I think that veteran comrades should be a little open-minded, should learn from revolutionaries of the older generation, and should understand that "doing a little means doing much." They should also discard the idea that they are indispensable to the unity. In fact, others can perform better than they can. In the past, some principal leaders did not have full trust in newly-promoted young cadres and did not give them enough power. This was not good. But, after all, this was merely a matter of not giving others a free hand in their work. Now, although some veteran comrades have withdrawn to the second or third line, they are still holding power. This naturally violates the party's principles. In this respect, veteran comrades should be sensible.

GUANGMING RIBAO: OWNERSHIP, MANAGEMENT RELATIONS

HK060820 Beijing GUANGMING RIBAO in Chinese 26 Aug 84 p 3

[Article by Zhen Guoxiang: "The Relationship Between the Right of Ownership, the Power of Operation, and the Power of Management Under Socialist Conditions"]

[Text] The Relationship Between the Right of Ownership of the Means of Production and the Power of Operation Under Socialist Conditions

Traditional views hold that the state, as the owner of the means of production of the enterprises owned by all of the people, should directly direct and organize the production, supply, and marketing activities for the products of the enterprises. Otherwise, the nature of the enterprises owned by the whole people will change. These views are well worth study and discussion.

No matter what modes of production are adopted, the nature of the system of ownership of enterprises is, after all, not determined by the concrete mode of operation of the enterprises. The nature of the system of ownership, or the nature of the occupation of the means of production, reflects a certain economic relationship, further reflecting a certain social relationship, while the mode of operation reflects only the concrete organizational form of labor.

When the right of ownership of the means of production is relatively separated from the power of utilization, the process of utilizing the means of production and the concrete organizational form of labor itself do not reflect the nature of the system of ownership of the means of production. In short, the right of ownership of the means of production is one thing, and the power of utilization, or the power of operation, of the means of production is another.

Marx once pointed out: When monetary rent is practiced, the relationship between the peasants who occupy and cultivate a portion of land and the owner of the land turns into a pure monetary relationship which is stipulated in the contracts, and the persons who occupy the land for cultivation are tenants. The separation of the right of ownership of the land from the power of utilization of the land, that is, the direct producers are not owners but tenants, does not change the nature of the system of ownership of the land, and does not change the relationship of exploiting and being exploited between the owner of the land and the direct producers. Under the capitalist mode of production, the owner of capital may be the direct operators or otherwise, but all the same it does by no means change the nature of the capitalist relations of production.

The system of ownership by the entire people of the socialist means of production is a primary form of the system of ownership by the entire people. Because they are limited by the level of development of the social productive forces, the degree of the socialization of the means of production, the degree of socialization of the laborers, and the level of development of their society, including the cultural and technological levels and the level of management, it is impossible for the state to directly organize the production and operation of all the enterprises under the system of ownership by the whole people. As for the railway, aviation, posts and telecommunications, and electric power which have a direct bearing on the national economy and the people's livelihood, and other large key enterprises, they may and should be owned and operated by the state; as for a segment of the small enterprises under the system of ownership by the whole people, they may be operated by the collective or by other forms of operation under the system of ownership by the state. This relative separation of the right of ownership of the means of production from the power of operation not only does not change the nature of ownership by the whole people for these enterprises, but constitutes also a requisite link in constantly perfecting the socialist system of ownership by the whole people and in effecting the transition to a higher form of the system of ownership by the whole people. By analogy, for those parts of the means of production jointly owned by the state and the collective, or by a collective plus another collective, they may be jointly operated by the state and the collective or by a collective plus another collective.

How Should the State Realize the Right of Ownership of the Means of Production Over the Enterprises Under the System of Ownership by the Whole People?

The means of production of the socialist enterprises under the system of ownership by the whole people belong to the society, and at the present stage, it has still to adopt the form of ownership by the state. Then, how should the state realize the right of ownership of the means of production over the enterprises under the system ownership by all of the people?

One path or method is: The state, as the owner of the means of production of the enterprises under the system of ownership by the entire people, directly organize the production and operation of all these enterprises, and all the production and operation activities of these enterprises should be directly under the direction and control of the state. The practice has proved that it is very easy for this method to manage the national economy in a very rigid way, and it is hard for the enterprises to enhance their economic results.

Another of the paths and methods is: The state gives up the reins to the production and operation of the enterprises under the system of ownership by the whole people and does not directly organize these activities. With regard to those enterprises dealing in energy resources and raw materials, such as electric power, petroleum, coal, and cement, the state issues directive plans for distribution and control of part of the production. With regard to those processing enterprises with a great variety of types of products and meeting rapidly changing market needs, the state issues guiding plans so as to expand the scope of planned market regulation. The state devotes its main energy to making plans and strategy for developing trades with the enterprises under the system of ownership by the whole people as the backbones. In order to realize the state plan, the comprehensive planning departments and various departments in charge of specialized economy are entrusted with the power to formulate economic policies and utilize the economic levers within the scope permitted by the laws and regulations of the state, so as to condition the orientation of the production and operation and the ownership by the whole people, regulate the relationship of distribution between the state and the enterprises and between enterprises and enterprises, and ensure realization of the common interests of society and the interests of the state thereby promoting the realization of the state plan. From the present point of view, this is a feasible method.

In order to realize the common interests of society, the state, as the owner of the means of production of the enterprises under the system of ownership by the whole people, does not, and should not, use its energy in directly organizing the concrete affairs such as production and operation of every enterprise, thereby making the government organs in charge act as the general managers of the enterprises. In managing the enterprises under the system of ownership by the whole people, the state should mainly resort to the means of planning, legislation, the enforcement of laws, and economic policies to carry out management and coordination, so as to help enterprises realize the link between production and demand. In accordance with the common interests of society and the overall interests, taking into consideration the practical occupation of the means of production by specific enterprises under the system of ownership by the whole people as well as the rates of capital and profits, the state either regulates the prices of the products in a planned way, or regulates production capacity in a planned way, or imposes regulation tax or resources tax in addition to the product tax and profit tax. Regulation tax and resources tax exercise regulation over the retained profits of enterprises, so as to avoid the possibility of enterprises getting special interests out of their utilized means of production and resources, which are not in conformity with their volume of social labor. This planned regulation of taxes and prices reflects the right of ownership of the means of production by the state toward the enterprises under the system of ownership by the whole people, and embodies the objective requirement of the common interests of society.

Enterprises With Different Natures of Systems of Ownership May Adopt a Variety of Modes of Operation

Generally speaking, the socialist system of public ownership of the means of production is compatible with the nature of the social productive forces. However, the socialist system of public ownership of the means of production should go through a process of gradual development and perfection. Between the concrete forms of the socialist system of public ownership and the level of development of the social productive forces, there still exist many aspects which lack compatibility. An important task in the current economic reform is to concretely determine the modes of operation which integrate the laborers with the means of production in different industries, trades, and enterprises in keeping with the level of development of the productive forces.

As relatively independent producers and operators of commodities, the socialist enterprises, including the enterprises under the system of ownership by the whole people, have to possess the necessary decisionmaking power of production and marketing. The extent of expansion of the decisionmaking power for the enterprises under the system of ownership by the whole people depends on the extent of contraction of the directive plans issued by the state to the enterprises concerning the production of their products. If there are a great variety of types of products covered by the directive plans, and if the corresponding external conditions in production have to be ensured by the state, there will be very little leeway for the independent production and operation activities of the enterprises. Now we are talking of streamlining administration and delegating power, and therefore the decisionmaking power in production and operation should be delegated to the enterprises. In order to enable the enterprises to possess the decision-making power in production and operation, the comprehensive planning departments and the departments in charge of specialized economy at various levels should adequately reduce the scope of directive plans, and expand the scope of guiding plans and market regulation.

The simultaneous existence of various forms of economy and various modes of operation will be a long-term historical phenomenon in our country. The state protects the lawful rights and interests of the enterprises owned by the whole people, the collective enterprises, and individual enterprises, and also protects the lawful rights and interests of joint ventures funded by Chinese and foreign capital as well as the enterprises solely funded by foreign businessmen operating inside China. However, all the enterprises must be placed under the supervision of the state's industrial and commercial administrative organs, the taxation authorities, and customs, financial, and law organs. All the enterprises operating inside China must accept administration and management by our government, and conduct their production and operation activities in accordance with the law. The power of production and operation of the enterprises is conditional on the power of administration and management of the government, and the state possesses the power of administration over the enterprises operating in various economic forms and various modes of operation. For the enterprises under the system of ownership by the whole people, this power of administration reflects the relationship of the right of ownership by the state over the enterprises in terms of the means of production; for the enterprises operating in various economic forms and various modes of operation, including those enterprises whose means of production do not belong to the state, it reflects the role of the state mechanism in administering the economy; and for the enterprises funded by foreign capital and operating in China, it reflects the objective requirement in exercising the sovereignty of the state in our country.

ARTICLE ON RURAL IDEOLOGICAL, POLITICAL WORK

HK060405 Beijing GUANGMING RIBAO in Chinese 27 Aug 84 p 3

[Article by Ren Jianxiong and Yang Zilin: "New Changes and New Characteristics of Ideological and Political Work in the Countryside" -- capitalized passages published in boldface]

[Text] To strengthen the party's ideological and political work in the countryside, it is necessary to take a look at the new changes and new characteristics of ideological and political work in the countryside over the past few years.

The massive reforms in the economic life of the countryside brought about since the 3d Plenary Session of the 11th CPC Central Committee have promoted deep ideological and political changes in the countryside. They consist mainly of the following:

1. THE BROAD PEASANT MASSES LOVE THE PARTY AND SOCIALISM EVEN MORE. Our party has historically had very close relations with the peasants. However, since the late 1950's, due to mistakes of "left"-guided thinking in our party, the extent of public ownership in the countryside was extended arbitrarily, and a highly centralized management system established, leading to "all eating out of the same big pot" in distribution and egalitarianism; in particular, the ceaseless political movements which criticized "small production" and cut off capitalist tails" seriously damaged the initiative of the millions of peasants. The new policies adopted since the 3d Plenary Session of the 11th CPC Central Committee reflect the desire of the peasants, embody their interests, and give them real economic benefits, and at the same time, since ideological education has been strengthened in the countryside, a marked turn for the better has occurred in party style, in the behavior of the people, and in public order, and therefore the party's prestige in the eyes of the millions of peasants is even higher. This love is no longer based purely on class feeling as it was soon after the liberation, but instead is based on scientific theoretical guidance resulting from practical experience and logical thought.

2. THE ALLIANCE BETWEEN WORKERS AND PEASANTS IS BECOMING INCREASINGLY SOLID. Marxism considers that the worker-peasant alliance is the political basis of a nation under the dictatorship of the proletariat, and a basic guarantee of the development of socialism. Over the past few years, the division of labor between party and state in the rural areas, and the establishment and consolidation of rural governments, has developed the worker-peasant alliance. In particular, with the change in the rural economy from monolithic management to a mixed economy of agriculture, industry, and commerce, during the process of change from the traditional self-sufficient and semi-self-sufficient economy to a modern commodity-type socialized production, there is more mutual support and help between industry and agriculture, city and countryside, and the contacts between peasants and workers have become closer, with much more intimate ties between town and countryside, leading to increasing consolidation of the worker-peasant alliance. Under these new historical conditions, the worker-peasant alliance is expanding gradually from politics to economics, which will be of benefit to consolidation of the national dictatorship of the proletariat.

3. PROFOUND CHANGES HAVE OCCURRED IN THE STRUCTURE OF THE PEASANT RANKS. This change has occurred in four main areas. The first consists of a change in the class situation. The economic and political life of the poor and middle peasants of the land reform era now occupies the dominant position, while the vast majority of former landlords and rich peasants, after lengthy reform through labor, have changed from exploiters to laborers who contribute their own strength. The present peasant ranks have expanded, and hence the area of reliance and unity has expanded. The second consists of an increase in the proportion of young and middle-aged peasants, on whom "left" influences are relatively slight; they also have a certain level of education, are relatively lively and capable in their thinking, and have become the main force in agricultural production. The third consists of the gradual change from monolithic agricultural production to industrial production and sideline industries, with the appearance of a large number of specialized households which are the representatives of the advanced production forces in the countryside. The fourth involves the development of town and village enterprises, leading to 9.3 percent of the rural workforce being employed in industrial enterprises. These new-type peasants who have "left the land without leaving the countryside" have essentially become workers in the countryside.

4. **THERE HAS BEEN A SUBSTANTIAL RISE IN THE QUALITY OF THE PEASANTS' IDEOLOGY.** The ideological quality of present-day peasants is different from that during the cooperativization movement, and even more different from that of the period before the revolution. The ideological integrity, morals, character, interests, and concept of value of today's peasants have seen great progress. On the one hand they have taken over and fostered the fine traditions of the old generation of peasant revolutionarism, with their spirit of patriotism and their fine qualities of hard work, thrift, and loyalty, and on the other hand they have begun to show a new spirit in the practice of specialized, socialized production, a spirit of socialist commodity production, meaning that they have ideals, morals, and education, they respect discipline, love science, think clearly, and have the spirit of forging ahead toward more progress and never being satisfied with the status quo.

5. **CHANGES IN LIFESTYLE.** The traditional rural lifestyle was one which tied peasants to the land, and involved a narrow sphere of activity; the forces of production were not developed, life was monotonous, and consumption levels were low. The lifestyle of today's peasants is now showing marked changes; the scope of production management activities has greatly broadened, material life has seen vast improvements, and consumption levels have risen. They not only know how to work hard, but understand the joy of material and cultural things, and even have the spare time to enjoy themselves. This new lifestyle is changing the structure of rural families and marriage customs. The traditional extended family of many generations living under one roof is becoming every more scarce, while nuclear families and combined households are seeing a marked increase; arranged marriages no longer have a market, and young peasants wish for love by choice, family planning, and a smaller population.

It should be pointed out that these changes in the countryside are gratifying, but they are by no means perfect. The narrow-mindedness, selfishness, conservatism, and ignorance left over in peasants' minds by the long years of the old lifestyle have not been thoroughly eliminated as yet; feudal and bourgeois thinking still have an effect on them, and in some areas gambling and feudal superstitions are still serious; some peasants are blind in the way they go about production, and easily vacillate in their ideology; some peasants are unable to correctly handle the relations between the interests of the state, the collective, and the individual; and so on. These problems all await solution.

New Characteristics of Ideological and Political Work in the Countryside Under the New Situation.

The new changes and new conditions appearing in the political and ideological spheres in the countryside present our party with new, even higher demands in its rural ideological and political work. To adapt to these new demands, new characteristics will appear in our rural ideological and political work.

I. A. SCIENTIFIC CHARACTER. What we mean by a scientific character is treating ideological and political work as a branch of science, and working according to the objective laws of ideological work. The fundamental aims and tasks of ideological and political work are to "raise the people's understanding of and ability to transform the world." To carry out this task, it is necessary to take Marxism-Leninism-Mao Zedong Thought as a theoretical basis and a guiding ideology. Our ideological and political work in the countryside consists of carrying the line, principles, and policies drawn up by the party under the guidance of the communist ideological system to the rural cadres and masses of peasants, and give play to their great ideological and political motivating force; it consists of transforming the small peasant mentality of the peasants, inspiring and raising their communist consciousness, and encouraging their initiative and creativity for production, leading them to consciously and voluntarily fight for the communist cause. This is the basic requirement for making rural ideological and political work more scientific, and the fundamental path for our party to exercise its leadership over the millions of peasants.

We must be good at discovering the laws of peasants' thinking, and conduct our work with a definite objective in view. For example: Some peasants, having taken the lead in getting rich, fear that policies will change, and that the cadres and masses around them will get "red eyes"; with the development of commodity production, and the broadening of the scope of peasants' life, and greater circulation, they fear that ideological changes will be commensurately great, and so on; we must deal with all of these problems on the basis of the laws of ideological change.

In order to raise the scientific level of rural ideological and political work, the key lies in fostering a large number of capable rural party and state cadres. On the one hand we must increase the new force of qualified people, and on the other hand we must conduct periodic and planned training of those existing cadres whose educational level tends to be on the low side, raising their leadership qualities.

2. **COMPREHENSIVENESS.** Modern agriculture represents a massive system, with many trades, departments, and categories involved; moreover agricultural construction is intimately linked with urban development, and with changes in the natural environment and geographical conditions. Rural ideological and political work must be adapted to the complexity of the system, and comprehensive research carried out at all levels. We should conduct comprehensive research and exploration into the influence of rural economic, political, cultural, and social life on the peasants, the mutual regulation between objective and subjective factors in the development of the peasants' thinking, and the mutual influence between peasants of differing economic position, ages, educational levels, and characters. Our research should consist of the following at least: The aim, methods, and basic substance of rural political and ideological work; what differences there are between the concepts of today's peasants and those in the past; the structure and essence of the peasant ranks; the conflict with and influence of the domestic reforms and the new world technological revolution on the ideological consciousness of Chinese peasants; the way the changes in population and household structure and lifestyle have been reflected in the peasants' psychology and morals; a categorical analysis of peasant ideology and its developmental trends, and so on.

Comprehensiveness must also be reflected in the practice of researching across boundaries of various subjects, that is, the application and research of basic Marxist theory and the comprehensive research and application of social science, management science, personnel science, psychology, educational science, and other disciplines. We must give serious consideration both to rural democracy, law, and political power, and to the consolidation and development of the party, CYL, and other mass organizations. These systems all operate on different levels, are mutually connected, interact with each other, and affect each other as they develop; they all have an effect on the quality of rural ideological and political work.

3. **OPENNESS.** The word "openness" has two levels of implication: The first is that in content and form, rural ideological and political work is not closed or immutable, but is constantly enriched and developed through practice; we must add new substance and new forms to it. The second is the implication that we must bring in advanced experience and "new air" from outside. Things from "outside" include both advanced thinking and education of our working class, and advanced thinking and culture of the proletariats in other countries.

In opening up to the outside, we must both introduce new and advanced technology and equipment, and also introduce new and advanced thinking and culture. One important task of our ideological and political work consists in diligently carrying out the party's policy on opening up to the outside, for if we do this well we will be able to introduce the fruits of advanced thinking and science, and on the other hand we will also be able in this way to promote our own ideological and political work.

Marxism teaches us that in the historical process of its own development, the proletariat must be good at taking in all the advanced thinking and culture of mankind. This advanced culture includes both historical and modern culture. Of course, at the same time that we introduce this advanced thinking and culture, the corrupt thinking and culture of the bourgeoisie can also creep in, but we cannot give up eating for fear of choking; as long as we are good at conducting specific analysis and treating different things differently, the good things will dominate.

4. **VARIABILITY.** Rural political and ideological work represents a system working on many levels, and its forms are varied; it consists both of theoretical inculcation and ideological teaching through lively activities; both universal education across the board, and going deep into each peasant household; both leadership from top to bottom, and self-education by the masses themselves (for instance, activities such as setting up civilized villages); both courageous criticism of mistaken trends, and praise and support for advanced thinking and model individuals. If we broaden the path and make our methods more lively, we can bring into play the functions of all the various educational methods such as literature art, television, radio, newspapers, and books, and at the same time we should pay attention to exploiting the active role of rural intellectuals, science and technology personnel, specialists, and other able people. We must not only carry out political education in upholding the four principles, but must also satisfy the new demands of the peasants for spiritual and cultural life, giving them enjoyment in the process of their education and teaching them how to build a new life.

To sum up, our research into the new changes and new characteristics of rural ideological and political work will be of help both to making our political and ideological work better, more lively and more profound, and to greatly promoting the speedy development of material civilization and socialist spiritual civilization.

HU YAOBANG ON DALAI LAMA RETURN TO BEIJING

OWO70135 Tokyo KYODO in English 0003 GMT 7 Sep 84

[Text] Beijing, Sept. 7 KYODO -- The Tibetan spiritual leader Dalai Lama, now in exile in India, wishes to temporarily return to China next year and China has accepted his plan to send a delegation to discuss the matter with Chinese officials.

A spokesman for the State Nationalities Affairs Commission, in disclosing this Thursday, said the Dalai Lama has made several appeals to China this year to accept a three-man delegation to discuss conditions concerning his temporary return with Chinese officials.

The spokesman said it has not yet been decided when the delegation will visit China.

It is not known when the Dalai Lama, who went to India in 1959 after an anti-China rebellion erupted in Tibet, wishes to return temporarily to China. But diplomatic sources said the Dalai Lama may wish to attend ceremonies Chinese authorities plan to celebrate the 20th anniversary of the founding of the Tibetan Autonomous Region in September next year.

Chinese Communist Party leader Hu Yaobang, in a meeting Wednesday with Yosoji Kobayashi, president of the Japanese newspaper YOMIURI SHIMBUN, said he hopes the Dalai Lama would not return to Tibet, but assume a public post in Beijing.

PLA BORDER TROOPS HELP XIZANG CONSTRUCTION

OW060423 Beijing XINHUA Domestic Service in Chinese 0755 GMT 2 Sep 84

[By reporter Su Faxin and correspondent Chen Bingli]

[Excerpts] Urumqi, 2 Sep (XINHUA) — On 30 August party and government leaders and personages in the religious field in Ngari Prefecture, Xizang, came to present hata to Xiao Quanfu, commander of the Urumqi Military Command of the PLA. Xiao Quanfu was inspecting work in the border area here to thank the PLA units stationed in the area and the border engineering units on behalf of the 50,000 peasants and herdsmen in Ngari Prefecture for the tremendous support given to the people of all nationalities here.

Since the beginning of last year, the Urumqi Military Command has dispatched thousands of commanders and fighters to help carry out construction work in Ngari Prefecture. In the process of carrying out construction, the cadres and fighters helped the masses in various localities overcome major difficulties and bring about the following changes:

1. Communications facilities have been greatly improved.
2. Conditions for medical care and public health have been distinctly ameliorated. Various PLA construction units and border PLA companies have trained a large number of medical workers for the local organs. Some of the PLA construction units have set up medical centers to treat local herdsmen and the masses. The PLA units vacated their houses and set up tents as wards for the sick herdsmen.
3. Commodity circulation has been increased. Many PLA construction units run service centers and shops commissioned to sell goods on construction sites to serve the masses.
4. Education in the border region has been greatly promoted. PLA construction units have sent out more than 100 cadres and fighters to work as teachers and political instructors in local schools on a voluntary basis.
5. Trees have been planted on much of the cold and oxygen-deficient highlands. Wherever the commanders and fighters go they plant trees. For the past year and more, they have planted more than 70,000 trees, provided various localities with over 20,000 saplings, and led herdsmen in covering the local areas with greenery.

PLA OFFICER PROVIDES FOOD PRODUCTION FIGURES

OW060919 Beijing XINHUA in English 0845 GMT 6 Sep 84

[Text] Beijing, September 6 (XINHUA) -- The People's Liberation Army produced 13 million tons of grain between 1958 and 1983, according to PLA records. Of this, 2,850,000 tons were sold to the state, say the records, which trace the development of the Army's operations in farming and agricultural sidelines.

In the 25-year period, total output was worth 10 billion yuan. Soybean output amounted to 950,000 tons, meat 1,050,000 tons, vegetables 17,500,000 tons and seafood 140,000 tons. Large quantities of sugar, fruit, tea, rubber and medicine were also produced at the 2,000 Army agricultural centers all over China.

Li Wenxiang, senior officer at the PLA's Beijing Military Area Logistics Department, said only a small percentage of soldiers worked to develop the Army's farming and agricultural sidelines. But their efforts eased the burden on the state to provide Army supplies, and helped improve the living standards of all PLA personnel.

One PLA farm, at Baigezhuang in Beijing, has 2,900 soldiers, 1,530 hectares of rice fields, 100 hectares of water area and 1,300 farm machines. Since its establishment in 1962, the farm has grown 185,000 tons of rice. About 150 tons of fish are produced a year.

Workshops at the farm process rice and fodder and make solar energy heaters. Two mills produce 3,000 tons of paper a year.

COMPUTER MARKET OPENING TO FOREIGN MANUFACTURERS

HK070325 Beijing CHINA DAILY in English 7 Sep 84 p 1

[By staff reporter Huo Zhenyi]

[Text] Foreign computer manufacturers will be allowed a share of China's domestic market in return for introducing sophisticated technology and management skills, Jiang Zemin, minister for the electronics industry, announced yesterday in Beijing.

The minister said business ties will be established with overseas computer companies after assessments of their technological level, manufacturing capability and willingness to co-operate with China's electronic industry.

Any foreign firm, big or small, willing to share technical knowhow, would be considered, Jiang said.

Co-operation might take various forms, including joint ventures, compensation trade or co-operative production as well as entirely foreign-owned local manufacture.

The minister told CHINA DAILY that the vast potential market for electronics in China was itself an insurance guarantee for overseas investors.

However, the ministry has decided to promote computer manufacture on a large scale, particularly of micro-computers.

Jiang revealed that micro-computer will be made in northern, eastern and southern China during the 7th Five-Year Plan (1986-1990). The intention is to establish a network comprising scientific research, production, application and development, sales, service, and training before 1990.

He said several joint and cooperative ventures to manufacture micro-computers were planned to start within the next two years. A joint enterprise to produce micro-computers used in shops and offices was now under discussion with the Ministry of Commerce.

The minister emphasized that servicing facilities were essential to the spreading of computers in China. Service centres run by the State collective and individuals were being encouraged. The minister said preferential taxes, loans and depreciation allowances would be available to help them.

In recent months, Jiang said computer software companies have been set up in 10 provinces and municipalities. Other regions are considering establishing similar ventures.

An exhibition to promote the manufacture and use of computers opens today at Beijing's Exhibition Centre.

Some 280 computers made in China will be on show until September 25.

Exhibition in Beijing

GW061309 Beijing XINHUA in English 1247 GMT 6 Sep 84

[Text] Beijing, September 6 (XINHUA) -- A national computer exhibition opened here today with the aim of promoting computer application and spreading related know-how. On display are 280 products including microcomputers, computer-processing systems for Chinese-character information, minicomputers and peripheral equipment of new types. The exhibits reflect the latest progress made in the production, servicing and application of computer technology.

Sources at the Electronics Ministry said that China's computer industry has developed rapidly in the past two years. There are now 90,000 people engaged in computer research, production, teaching and servicing. They are working in eight research institutes, 111 manufacturing units and 42 service centers.

In the first seven months of this year, the output value of the computer industry was 71.6 percent up on that of the same period last year. The production of microcomputers increased by 91 percent and peripheral equipment 190 percent. Microcomputers have been given top priority in developing computer technology. Among 34,000 computers now operating in the country, 30,000 are micro types. Production lines for microcomputers and accessories are being built in three research and production centers in north, east and south China, respectively.

China is the world's leader in designing Chinese-character software. Dozens of such systems are now in practical use. A nationwide computer service network is also taking shape, with the 26 branches of the China Computer Technical Service Corporation scattered in different parts of the country.

The exhibition, organized by the Electronics Ministry, will last for 20 days, during which forums and technical exchanges will be held. Today's opening ceremony was attended by Wang Zhen, member of the Political Bureau of the Central Committee of the Chinese Communist Party, and Jiang Zemin, minister of electronics.

Wang Zhen Addresses Opening

GW070001 Beijing XINHUA Domestic Service in Chinese 1140 GMT 6 Sep 84

[Report by correspondent Zhang Baishun and reporter Li Anding: "The 1984 Exhibition of Electronic Computers and Their Applications Opens in Beijing" -- XINHUA headline]

[Text] Beijing, 6 Sep (XINHUA) -- Cutting the ribbon at the opening ceremony for the 1984 exhibition of electronic computers and their applications, Wang Zhen, member of the Political Bureau of the CPC Central Committee, said today: "With regard to computers, emphasis should be put on their applications. It is necessary to pay attention to the popularization of computer use and to make everyone feel that computers are good tools, and that one can afford to use computers, and can use them successfully. Industrial departments should support the work of promoting the use of computers by young people."

The exhibition was sponsored by the Ministry of Electronics Industry. On display are nearly 300 products from 22 provinces, municipalities, and autonomous regions, showing the progress that the computer industry has made in recent years in research and production and in promoting the applications of computers. The exhibition will close on 25 September.

ZHANG AIPING ATTENDS AWARDS CEREMONY 3 SEP

OW061015 Beijing Domestic Service in Mandarin 1600 GMT 3 Sep 84

[Excerpts] On 3 September the Ministry of Electronics Industry presented 71 silk banners embroidered with the image of an orbiting communications satellite transmitting a message thousands of li. The banners were presented to advanced units which had made important contributions to the development and testing of communications satellites. The ministry also presented certificates of merit to scientists and technicians who won the merit citation, first class.

Zhang Aiping, state councillor and deputy secretary general of the State Military Commission [guo jia jun wei], attended the ceremony and congratulated the award-winning units and individuals.

LI XIANNIAN ATTENDS XINJIANG ISLAMIC FESTIVAL

OW061638 Beijing XINHUA in English 1609 GMT 6 Sep 84

[Text] Urumqi, September 6 (XINHUA) -- Chinese President Li Xiannian, just returned from a trip to Romania and Yugoslavia, joined more than 1,000 local people here this evening to celebrate the Islamic Corban Festival. Corban, which falls on September 7, is traditional festival for various Islamic nationalities in Xinjiang.

The president, who had fought here more than thirty years ago for the liberation of the Xinjiang, attended a get-together tonight along with local leaders and was greeted with a standing ovation.

Also present were Wang Enmao, first secretary of the regional party committee, Tan Shaohe, political commissar of the Xinjiang Military Area Command and Tomur Dawamat, chairman of the regional People's Congress Standing Committee, as were Hao Jianxiu, alternate member of the Secretariat of the Chinese Communist Party Central Committee, Gong Dafei, vice-minister of foreign affairs, Tao Siju, vice-minister of public security, and Sun Honglie, vice-president of the Chinese Academy of Sciences, who accompanied the president on his European trip.

Dawamat said that the gathering manifested the party's policy towards nationalities and unity and friendship among the region's various people. He also called on people here to excel themselves in economic construction.

XU XIANGQIAN INSCRIBES FISHING MAGAZINE TITLE

OW070325 Beijing XINHUA Domestic Service in Chinese 1237 GMT 4 Sep 84

[Excerpt] Xu Xiangqian, member of the Political Bureau and vice chairman of the Military Commission of the CPC Central Committee, recently inscribed the title of the magazine ZHONGGUO DIAOYU [FISHING IN CHINA] which will come off the press soon. Han Xianchu and Huang Hua, vice chairmen of the NPC Standing Committee and advisers to the Fishing Association of China, had respectively written inscriptions for the magazine: "Enhance friendship, good for health" and "Promote fishing in a civilized manner, alternate work with rest and recreation, keep body and mind healthy, and devote oneself to invigorating the Chinese nation."

ZHONGGUO DIAOYU is sponsored by the Fishing Association of China.

The purpose of the magazine ZHONGGUO DIAOYU is to promote mass fishing activities in China and develop the fishing tackle industry; help those who love fishing keep themselves physically and mentally healthy; enrich the cultural life of the masses; exchange fishing techniques; and build a socialist spiritual civilization. The main subjects covered by the magazine are: fishing experience, introduction to tackle made in China and abroad, and fishing episodes.

LI XIANNIAN, OTHERS MOURN ZHANG KONGXIU'S DEATH

OWO61423 Beijing XINHUA Domestic Service in Chinese 0200 GMT 6 Sep 84

[Text] Beijing, 6 Sep (XINHUA) -- Zhang Kongxiu, former deputy director and chief of staff of the Capital Construction Engineering Corps and member of the all-Army leading group for retirement work, died of illness in Beijing on 21 August 1984 at the age of 61. A ceremony was held at the auditorium of the Babaoshan Cemetery for Revolutionaries in Beijing on 1 September to pay last respects to Comrade Zhang Kongxiu.

Wreaths were sent to the ceremony by Comrades Li Xiannian, Wang Zhen, Yang Dezhi, Yu Qiuli, Gu Mu, and Hong Xuezhi, as well as units concerned.

Wang Zhen, Yu Qiuli, Hong Xuezhi, and other comrades attended the ceremony.

A native of Queshan County, Henan Province, Comrade Zhang Kongxiu was admitted to the CPC in 1938, and joined the New 4th Army in 1939.

While serving in the Air Force during the "Cultural Revolution," he was framed and persecuted by the Lin Biao counterrevolutionary clique.

Comrade Zhang Kongxiu resolutely supported, and vigorously implemented, the party's line, principles, and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee, as well as relevant instructions from higher authorities. Working untiringly, he made a positive contribution to Army building and the accomplishment of construction and production tasks by the Capital Construction Engineering Corps. He devoted all his energies to the party and the People's Army. His life was that of a revolutionary, a life of struggle.

HEFEI UNIVERSITY ENROLLS MORE GIFTED STUDENTS

OWO60655 Beijing XINHUA in English 0634 GMT 6 Sep 84

[Text] Hefei, September 6 (XINHUA) -- More than 660 new gifted students began their studies this week in the Chinese university of science and technology in Hefei, Anhui Province.

The students, from more than 20 provinces, municipalities and autonomous regions, all got high marks in the 1984 national unified college entrance examination. Among them He Liqiang, the overall best.

The university, established in 1958, is one of the key universities in China. Students call it "a cradle of young scientists." In the past 26 years, the university's 10,000 graduates the 500 postgraduates have made the university a training ground of high-quality personnel. In 1983, China for the first time awarded 18 doctorates, and among them, six were from the university.

The university is well to the fore in educational reform, fostering individual study, research and creativity. Credit, tutorial and optional courses are offered. A junior class began in 1978 for primary and middle school students of senior middle school graduation standard. The class has enrolled 279 talented youngsters aged 11 to 15. Eighty-one of these have passed graduate student examinations in China and abroad.

International academic exchange has played a part in raising the university's teaching standards. It has sent more than 400 students, lectures and researchers abroad. Foreign scientists and professors are invited to lecture.

"Our sole purpose is to train more high-quality personnel as quickly as possible," says vice-president Ma Xilin.

The university is set to expand, adding teaching and laboratory buildings for electronics and information and computer science.

RADIO, TELEVISION ACHIEVEMENTS CATALOGUED

OW060633 Beijing Domestic Service in Mandarin 1200 GMT 2 Sep 84

[Excerpts] In the 30 and more years since its founding, New China has witnessed tremendous development in its radio and television undertakings. There are now over 120 radio broadcasting stations across the country, with a combined transmitting power amounting to 250 times that of the early post-liberation period. Since 1958 when television broadcasting began in China, the country has established 52 television stations. The number of wired broadcast transmitters run by the various counties and cities has exceeded 2,600 with 84.59 million loudspeakers. There are 49,000 amplifier stations at the township and town level and wired broadcasts are now available to 76 percent of the production brigades and 62 percent of the production teams in the rural areas.

At present, 64.5 percent of China's population is reached radio broadcasts. All television stations in China have completed the transition from black and white to color images for both their broadcasting and transmitting systems. Television broadcasts now reach 59.9 percent of the population.

As the people's living standard improves there are more and more people listening to radio or watching television broadcasts. By the end of 1983, the number of radio receivers in the country as a whole reached 214.65 million sets while there were 36.11 million television sets.

There has also been rapid development in China's foreign broadcast undertakings. At present, China broadcasts to the world in 43 languages. The Chinese international broadcasting station, whose call sign is Beijing Guangbo Diantai, has increased its average broadcasting hours per day from 11 hours in 1950 to 138 hours now.

HUANG HUANG ATTENDS ANHUI ECONOMIC FORUM

OW061141 Hefei Anhui Provincial Service in Mandarin 1100 GMT 2 Sep 84

[Excerpt] According to ANHUI RIBAO, a theoretical forum on building a rural economy with distinctive Chinese characteristics discussed its second special topic -- the question of rural specialized households and new integrated economic establishments -- in Hefei from 20 to 24 August. The forum was jointly sponsored by the Propaganda Department and Party School of the provincial CPC Committee, the provincial Academy of Social Sciences, the provincial Federation of Societies of Social Sciences, and the rural Policy Research Office and lecturers' group of the provincial CPC Committee. During the forum, Secretary Huang Huang of the provincial CPC Committee received all forum participants and gave an important speech to them.

Deputy Secretary Yang Haibo of the provincial party committee made a report to the forum before it ended. Director Wang Houhong and Deputy Director Ding Ting of the Propaganda Department of the provincial party committee addressed the forum. Forum participants unanimously held: There are great prospects for the development of rural specialized households, specialized villages, and new integrated economic establishments. They represent a new breakthrough in the process of our rural economic development and are bringing about and will continue to bring about a further liberation of productive forces in the rural areas.

They held: The development of rural specialized households and new integrated economic establishments in the province is healthy. Such development has been fairly rapid, particularly since the CPC Central Committee issued its Document No 1 this year. However, the leftist influence, the force of habit, and old systems still affect the development of specialized households and new integrated economic establishments. It is therefore necessary to take resolute measures to accelerate the development of rural specialized households and new integrated economic establishments. It is essential to establish as soon as possible a fairly complete system of services for commodity production, to show concern for specialized households politically, to relax policy restrictions on them, to give such households economic support and technical guidance, and to provide them with various effective services. Moreover, the legitimate rights and interests of the specialized households must be effectively protected so they will boldly develop specialized production and become better off through hard work.

JIANGSU'S HAN PEIXIN WELCOMES OLYMPIANS

OW010233 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 28 Aug 84

[Excerpt] On the afternoon of 27 August, the provincial Physical Culture and Sports Commission and 15 other units held a grand meeting at Nanjing's Wutaishan Stadium to welcome the athletes from Jiangsu who have just returned victoriously from participation in the 23d Olympic Games.

Attending the meeting were Jiang Weiqing, Hui Yuyu, and Du Ping, members of the Central Advisory Commission, and Han Peixin, Gu Xiulian, Sun Han, Zhou Ze, Chu Jiang, Liu Lin, Zhang Yuhua, Wei Yongyi, Xu Zhi, and Zhang Yaohua, responsible comrades of Jiangsu Province, the Nanjing Military Region, and Nanjing City.

Han Peixin, secretary of the provincial CPC Committee, spoke. He said: [begin recording] Comrades, first, on behalf of the provincial CPC Committee, the provincial People's Government, and comrades on the various fronts of our province, I want to express our high esteem and extend our warm congratulations to the Chinese Olympic delegation for their brilliant performance at the 23d Olympic Games and to all our province's outstanding athletes who have returned victoriously from participating in the Olympic Games.

Yuan Weimin, Luan Jujie, and 13 other athletes, outstanding sons and daughters of our province, and 4 coaches and umpires from our province participated in the Olympic Games. Twelve of them made outstanding achievements and won one gold, one silver and 3 bronze medals. The people of the whole province want to thank you and are very proud of you. The people of the whole province must learn from the outstanding Chinese athletes, the Chinese national women's volleyball team and Luan Jujie. [end recording]

Han Peixin said in conclusion, [begin recording] We must seriously sum up experiences, continue to carry forward [words indistinct] and make arduous and unremitting efforts in further promoting our province's physical cultural activities. [end recording]

JIANGXI'S DONGCAI ON UNITED FRONT WORK

OWO61349 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 2 Sep 84

[Text] On 1 September First Secretary Bai Dongcai and Secretary Xu Qin of the Jiangxi Provincial CPC Committee heard a report by the United Front Department of the provincial CPC Committee on implementing united front work.

After hearing the report, Bai Dongcai emphatically pointed out: In implementing the united front policy at present, it is necessary to concentrate our efforts to grasp the key problems and do a good job from start to finish. We must completely solve all problems. Bai Dongcai said: In the past several years, party committees and united front work departments at various levels in this province have made great efforts, done much work in implementing the party's united front policy, and achieved great results. Through efforts to bring order out of chaos and implement the party's policy, many people outside our party support and trust our party even more. This has a great influence on and plays an inestimable role in restoring the party's image and implementing the party's policy of long-term coexistence and mutual supervision and the principle of treating each other with all sincerity and sharing weal or woe. It also has a far-reaching significance in whipping up the enthusiasm of the personnel of various democratic parties and of people of various circles to love the party and the country and dedicate themselves to the cause of promoting the four modernizations. The leading cadres at various levels must not underestimate the value of this work.

Bai Dongcai said: Although we have solved most of the problems in implementing united front policy in this province, we must not slacken our efforts and be satisfied with the existing state of affairs. We must continue our efforts and thoroughly implement the policy of the CPC Central Committee and the provincial stipulations made in accordance with the actual situation. We must implement them 100 percent, not just 98 or 99 percent. This is not only strictly required by the party but it is also demanded by the people.

In conclusion, Bai Dongcai emphatically pointed out: In further implementing united front policy, we must concentrate our efforts on tackling important issues and solve old and difficult problems. We must handle problems within a time limit and must not delay our work. It is necessary that those who have gained extra advantages at the expense of others and who refuse to correct the situation despite persuasion and education be dealt with seriously. The small number of unclear and disputed cases must be promptly investigated the truth ascertained, and specific methods studied to resolve them in a unified manner. In short, with the exception of certain individual cases, all problems should be solved within this year.

SHANGHAI CIRCULAR STRESSES BUSINESS EFFICIENCY

OW030523 Shanghai City Service in Mandarin 2300 GMT 1 Sep 84

[Text] To implement the State Council's decision of opening 14 coastal cities to the outside world and to expedite economic development, the Shanghai municipal government recently issued a circular regarding its tentative measures governing the negotiations and approval of applications for setting up joint ventures or privately-sponsored enterprises with foreign investment in Shanghai. To achieve higher efficiency in negotiations and approval, certain authority to give approval has been delegated to various bureaus, districts, or counties and formalities have been simplified.

The circular cites 11 regulations, pointing out in particular that after accepting an application, the municipal Committee for the Promotion of Foreign Economic Relations must reply or indicate its opinion within 1 month; when it fails to do so, the unit concerned may consider its application automatically approved, and may proceed with the formalities of the next stage.

EAST CHINA POWER GRID TO RAISE DEVELOPMENT FUNDS

OW070031 Beijing XINHUA Domestic Service in Chinese 1448 GMT 1 Sep 84

[By reporter Li Zhenghua]

[Excerpts] Shanghai, 1 Sep (XINHUA) -- According to information obtained by this reporter from the Shanghai Economic Zone Planning Office, the leading group of the East China Power Grid has decided to raise funds on its own, instead of by the traditional method of totally relying on the state, in order to develop the power industry and accelerate the construction of the power grid in an endeavor to solve the serious electricity shortage in the East China area.

It is learned that apart from the projects in the state plan, the East China Power Grid, which supplies electricity to Jiangsu, Anhui, and Zhejiang Provinces and Shanghai Municipality, will raise funds approximating 2 billion yuan from 1985 to 1990 for the construction of at least nine projects, which will provide an additional power-generation capacity of some 2 million kilowatts. When all the new generators become operational, the additional annual power output is expected to reach 14 billion kilowatt-hours, or one-quarter of the power grid's present annual output.

Wang Lin, chairman of the Shanghai Economic Zone Planning Office and head of the leading group of the East China Power Grid, said that raising funds to develop the power industry is not only a practical and feasible way to solve our country's problem of power shortage and insufficient funds, but is also a major aspect of our work of reforming the power industry. He added that this is not an expedient measure, but an important policy that should be implemented for a considerable period of time.

Jiangsu, Anhui, and Zhejiang Provinces and Shanghai Municipality comprise one of the most economically developed areas of our country. However, the serious energy shortage has become a striking problem in developing production in this area and should be solved as early as possible. Because of the state's limited financial resources, power construction projects in the present budget cannot meet the needs, and it is expected that after 1990 the power shortage will amount to more than 10 billion kilowatt-hours annually.

To ensure a long-term, stable supply of power to the provinces and the municipality, which have invested in new power projects, they will be granted the right to use the electricity generated by these projects for 30 years from the date the projects are operational.

GUANGDONG CIRCULAR ON INTELLECTUALS POLICY

HK070336 Beijing GUANGMING RIBAO in Chinese 28 Aug 84 p 1

[Report by Liang Mei: "Guangdong Provincial CPC Committee Calls for Further Implementation of Policies Toward Intellectuals"]

[Text] Recently the Guangdong Provincial CPC Committee has issued a circular to the whole province, demanding various localities, departments, and units use two different typical examples -- the example of Guangzhou Baiyunshan pharmaceutical factory and the provincial Family Planning Technological and Scientific Research Institute -- to check up on the conditions in implementing the policy toward intellectuals, sum up the relevant experiences and lessons, and conscientiously solve the existing problems in association with the party rectification, so as to do a better job in implementing the policy toward intellectuals.

The circular says: At present, one of the key problems in implementing the policy toward intellectuals is to solve well the problems of ideology and understanding of the leading groups. The general CPC branch of the Guangzhou Baiyunshan pharmaceutical factory shows respect for knowledge and intellectuals, conscientiously implements the policy toward them, and promotes the development of production and the enterprise, which makes it become an advanced unit in the province. However, the leading comrades of some units have not yet completely eliminated the influence of the "leftist" ideology, have reservations in their minds toward the policy, or even hold the view that the implementation of the policy toward intellectuals has been "overdone." What is more serious, there are examples such as Li Meilin, vice chairman of the provincial Family Planning Commission in charge of the scientific research work, who, instead of earnestly inspecting and implementing the policy toward intellectuals at the provincial Family Planning Technological and Scientific Research Institute, suppressed, dealt blows to, and discriminated against the intellectuals there.

The circular says: With regard to those leading cadres who have no professional knowledge but fail to implement the policy toward intellectuals, and continue to discriminate against, suppress, and deal blows to the intellectuals, they are to be transferred whenever they are discovered, and no tolerance or indulgence should be practiced. At the same time, those outstanding intellectuals suitable for doing the leading work should be promoted to the leading posts.

LIU JIE DISCUSSES HENAN AGRICULTURAL PROSPECTS

HK051036 Shanghai SHIJIE JINGJI DAOBAO in Chinese 6 Aug 84 p 5

[Special dispatch from Tokyo by reporter Zhao Wendou stationed in Japan: "Liu Jie, First Secretary of the Henan Provincial CPC Committee, Interviewed in Japan on Henan Grain Sales in the International Market"]

[Text] Liu Jie, first secretary of the Henan Provincial CPC Committee has said: "From now on Henan will develop its agriculture in a big way. The strategy for development is to go in for farming scientifically, to promote commodity economy, and to promote sales in the world market." This was disclosed to reporters during his visit to Japan.

Liu Jie told the reporters: "Henan possesses very good natural conditions. However, before the 3d Plenary Session of the 11th CPC Central Committee, the province could not even solve the problem of feeding and providing clothing for its population. The Lankao area of eastern Henan had the reputation of being the poorest place in the country.

But Henan has undergone great changes since the third plenary session. The increase in grain output over the past 5 years is equal to the total increase in the 3 decades prior to the third plenary session. Both the scope and rate of increase were never imagined in the past. Even so, the potential for Henan's agricultural development is still great. Take wheat alone -- if the average per mu output rises to 600 jin, as in India, an annual increase of 15 billion jin of grain will be achieved."

During his stay in Japan, Liu Jie often compared conditions with Henan. He said: "It is very inspiring to see that Japan has attached great attention to science in its agriculture and has made circulation so lively. In order to develop agriculture, we should also rely on science, farm scientifically improve varieties, and go in for in-depth processing. Henan is now using farm zoning, for instance. The Funiu mountain areas are suitable for planting tobacco, and we will concentrate growing it there. Farm zoning is favorable for improving varieties, scientific management, processing, and transportation."

Henan currently abounds in grain; however, it is still very poor in commodity economy, according to Liu Jie. There is a popular saying in Henan: "Rice and steamed bread made of white flour are the wonderful livelihood of socialism." This shows that the food structure of Henan is very simple, with grains the sole staple food. It is necessary to go in for commodity economy, in order to change grain to meat, fish, and milk, so as to change the diet structure. We should go in for the in-depth processing of agricultural and sideline produce. With meat alone, we can go in for a grade system. Not only can we have different grades of flour, but we can also develop the fodder industry and organic chemical industry in a similar manner. Henan's corn output is also great, and the development of the fodder industry will promote both sales in large quantities to such provinces as Fujian and Guangdong, and boost exports to foreign countries. They have an extensive market.

Liu Jie holds that Henan's agricultural produce should enter the world market in a big way. This requires developing commodity economy in agriculture in a big way and achieving improvements in techniques of preserving freshness, storage, packing, and transportation. Take corn, for example: Henan is mainly growing white corn, while the world market demands golden corn mixed with a small proportion of white corn processed as fodder according to a certain plan. This involves the improvement of varieties via scientific methods. Only then will we be able to go in for commodity economy, to acquire the commodity grains suitable to the needs of the world market, and to speak of developing in line with the world market.

Liu Jie is full of confidence in the prospects for Henan's agricultural development. He has said: "What Japan can achieve, we should be capable of doing, too. As long as we persist in reforms, reform the systems that do not suit economic development, and concentrate our efforts on doing our work, we are sure to do well."

SICHUAN'S YANG RUDAI AT OVERSEAS CHINESE MEETING

HK061043 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 5 Sep 84

[Text] The Standing Committee of the second provincial Federation of Returned Overseas Chinese yesterday held its second expanded meeting in Chengdu with directors of offices in charge of Overseas Chinese affairs from prefectures, cities, autonomous prefectures, and some counties. Yang Rudai, secretary of the provincial CPC Committee, pointed out at the meeting: The province's returned Overseas Chinese and their relatives have considerable economic strength and a fairly high technological level. This is a force that should not be ignored. [sentence indistinct]

Comrade Yang Rudai also stressed: The province has just taken the first step in [words indistinct]. From now on we should spare no effort in attracting investments from Overseas Chinese, and should afford them preferential treatment according to state guidelines. At the same time, we should actively do well in providing services for Overseas Chinese who return to the state to make investments, and strengthen the economic cooperation between departments in charge of Overseas Chinese affairs and Overseas Chinese businessman. In addition, we should actively develop enterprises that are funded by Overseas Chinese, and support the returned Overseas Chinese and their relatives in [words indistinct]. We should let them develop production with the support from their relatives residing abroad, and let them become rich before others.

The second expanded meeting of the Standing Committee of the second provincial Federation of Returned Overseas Chinese and directors of offices in charge of Overseas Chinese affairs from prefectures, cities, autonomous prefectures, and some counties will emphatically study ways to give play to the economic strength of the province's 200,000 returned Overseas Chinese and their relatives, as well as the 100,000 Overseas Chinese. It will discuss the work of importing capital, qualified personnel and basic equipment from abroad to make contributions to the province's goal of attaining prosperity and improving its status.

Zhou Zengwu, vice chairman of the All-China Federation of Returned Overseas Chinese has made a special trip from Beijing to Chengdu to attend the meeting.

CHONGQING PROBLEM-SOLVING SUCCESSES HIGHLIGHTED

HK070412 Beijing RENMIN RIBAO in Chinese 4 Sep 84 p 2

[Report by Zhang Bingsen and Tang Zurong: "Chongqing City Seriously Solves Problems in the Scramble for Power Between Administrative Companies"]

[Text] In the process of implementing the "Provisional Regulations of the State Council on Further Expanding the Decisionmaking Power of State-Run Industrial Enterprises," Chongqing City in Sichuan Province has removed the obstacle of some administrative companies' scrambling for power and interests and thus actually transferred decisionmaking power down to enterprises.

After the publication of this State Council document, there was a dispute between Chongqing City industrial company and its factories. The focus of the dispute was: Should a company be regarded as an enterprise? Should it enjoy decisionmaking power? Some people thought that a company directed and took part in the activities of production, supply, and marketing of the factories under it and administered the personnel, funds and materials and goods there and thus it had the characteristics of an enterprise and played an even greater role than a single enterprise. Therefore, they thought the expanded decisionmaking power for the enterprises had first to be granted to the company.

Some factory directors said that many of the companies were in fact administrative organizations while the factories under them directly carried out production and management and shouldered economic responsibility for the state. They feared that if government administrative organizations scrambled with factories for power and interests, the initiative of the factories would be injured.

Through the disputes, people have unified their understanding: Most of the over 60 existing industrial companies in Chongqing are administrative organizations. Some of them are merely former responsible bureaus with a changed name; others are administrative organizations under the jurisdiction of bureaus; and still others have centralized too much power and thus seriously injured the initiative of the factors and their staff and workers; therefore, they should return power and interests to the factories.

The responsible persons of the Chongqing City CPC Committee and government earnestly listened to the opinions in the discussion. In mid June, the Chongqing City People's Government made a decision, which clearly pointed out: "Expanding the decisionmaking power of state-run industrial enterprises means granting power to the state-run enterprises directly engaged in industrial production and management, which operate as independent accounting units, undertake the duty to pay taxes to the state, shoulder economic responsibility for the state and have the status of legal persons." According to this regulation, the city government required the companies of the enterprise type to continue to play their role as economic entities, utilize to the full their decision-making power, invigorate their production and management and improve their quality as enterprises. In order to satisfactorily play this role, some of the companies of the enterprise type have paid close attention to establishing and perfecting their internal economic responsibility system and have adopted measures to transfer decisionmaking power level by level downward to the factories and mines under them. To pursue optimum economic results, the Chongqing iron and steel company has exercised its decisionmaking power as an enterprise and carried out a series of reforms in its production management, wage and bonus payments, personnel management and other fields. The company manager has exercised his power to appoint directors of the factories and mines in the company. The company has implemented diversified forms of the contracted responsibility system including the systems to contract all-round responsibility for technological projects to contract all-round economic responsibility for extra-target profits, and to contract all-round management responsibility. These systems have ensured there are nominated people to shoulder the economic responsibility, and have thus given play to the initiative of all the staff and workers from the highest to the lowest levels. From May to July, this company set one record after another in its monthly realized profits.

Concerning companies of an administrative nature, Chongqing City has conscientiously reorganized all of them in the light of their actual conditions and has refrained from pursuing uniformity in doing this. If an administrative company can be turned into an economic entity, it will be allowed to develop into a company of the enterprise type. Chongqing City has resolutely closed down the companies that ought to be closed down.

Reforms Assessed

HK070430 Beijing RENMIN RIBAO in Chinese 2 Sep 84 p 3

[Article by Chen Yuanhu: "Chongqing Is Undertaking Reforms"]

[Text] Under the guidance of the principle of readjustment, restructuring, consolidating, and improvement laid down by the 3d Plenary Session of the 11th CPC Central Committee, Chongqing City has taken a series of reform measures in the course of the economic readjustment.

Since October 1978, pilot projects for expanding the enterprise decisionmaking powers in business and adopting various profit distribution systems have begun successively in the Chongqing iron and steel complex, the Chongqing clock and watch company, and more than 100 other enterprises. These partial reforms have succeeded in arousing the initiative of the enterprises and promoting economic development. From 1979 to 1982, the annual industrial and agricultural output value of Chongqing City grew at an average rate of 10 percent.

In February 1983, the party central leadership and the State Council approved the scheme to carry out a pilot project for a comprehensive reform of the economic system in Chongqing City, and required the city to explore a new way to enliven and develop the economy in the southwest region, to create a new form of integrating military industry with civilian industries, and to gain experience in establishing an economic zone centering on a major city. Since last year, with the help of the central and provincial authorities, Chongqing City has formulated 26 reform programs, most of which have been put into practice.

The city has been granted a greater jurisdiction in economic management to cut across the economic barriers between administrative departments and localities and between urban and rural areas. Chongqing is subject to a separate listing in state plans, and has been granted a province-level jurisdiction in economic management. Sixty-six enterprises and institutions originally subordinate to the provincial authorities have been delegated to the city's management. Eight counties, which originally belonged to Yongchuan Prefecture, have been transferred to the jurisdiction of Chongqing City.

Last March, Premier Zhao Ziyang affirmed the orientation of Chongqing's reforms when he inspected work there. He also appreciated the measures of establishing trade centers for industrial goods and the Jialing motorcycle complex and adopting a contract system in the Chongqing construction company. This has further inspired the Chongqing people to speed up the pace of their reforms and to create a new situation. In April, Chongqing City joined Guizhou, Yunnan, Sichuan, and Guangxi in holding a regional economic coordination conference in Guiyang City, which has strengthened the economic ties between Chongqing and other areas in southwest China.

Chongqing City has adopted many well-coordinated reform measures in various specific fields in order to animate the business of various enterprises. Last year, the first step in substituting tax payment for profit delivery was put into practice throughout the city, and various after-tax profit contract systems were introduced in various trades. This year, work in this regard has made further headway. For example, small retail shops and other small shops in service trades have been contracted to collectives or leased to individuals for operation. The city has also made great efforts to develop water transport by reestablishing the Minsheng enterprise company, a well-known private transport company in the past, with the son of the founder of the old company as general manager of the new company. The Chongqing City branch of the China Democratic National Construction Association and the city's federation of industrialists and businessmen have set up the Baoyuantong economic services company. In order to perfect the responsibility system in enterprises, last year, all state enterprises in the city adopted the method of linking the issuance of bonuses to their tax or profit contributions to the state; and this year, the enterprises were authorized to dispose of their bonus funds on their own. In order to further expand decisionmaking powers of the enterprises in their operations, the city has decided to delegate more rights to factory managers in 10 specific areas, and to introduce on a trial basis the manager responsibility system in 28 factories and 18 commercial businesses.

The city has also played a role in coordinating the regional economy and has organized a number of transprovincial or transdepartmental economic combinations for developing some key products. The city has worked out plans to combine military industries with civilian industries in producing civilian goods and to organize military industrial enterprises to develop key civilian products and transfer technology to civilian industries. The city has taken steps to facilitate commodity circulation between urban and rural areas and to support the development of rural enterprises to integrate urban and rural economies. At the same time, the city has drastically reformed the existing commodity wholesale system by establishing trade centers and adopting other measures. All this has developed the horizontal economic ties in the city and formed an open circulation network for commodity movements, thus opening up a broad road for Chongqing to play its role as a major economic center.

The city has conducted useful experiments in making good use of the regulatory roles of various economic levers and in making pricing, monetary, and taxation reforms. For example, the city has adopted a method of flexible pricing for more than 1,000 kinds of small commodities so as to enliven the markets, and has expanded the range of floating pricing. In order to encourage enterprises to speed up the turnover of their working funds, loans for working funds have borne interest at a floating rate appropriate to the turnover speed of the fund.

The reforms have achieved positive results. In 1983, the total industrial and agricultural output value of Chongqing City increased by 11 percent over the previous year, and the figure in the first 7 months this year was 11.7 percent higher than that of the same period last year.

LAO SHAN FIGHTERS WELCOMED IN YUNNAN

HK060624 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 4 Sep 84

[Text] On the morning of 2 September, the cadres and people of various nationalities in Wenshan City, seat of Wenshan Zhuang-Miao Nationality Autonomous Prefecture, gave a warm welcome to fighters of a certain frontier guard unit which distinguished itself in the Lao Shan battle.

In the battle of recovering Lao Shan, this unit shouldered military tasks. It had repulsed 32 offensives launched by the Vietnamese troops on the Lao Shan battlefield. It had also killed or wounded more than 4,300 enemy soldiers. Hence, it had remarkably distinguished itself.

When this heroic unit arrived at Wenshan, the cheers of the city's jubilant crowds of various nationalities, and the bang of firecrackers mingled with crescendos of music. Singing and dancing, the people tossed colorful ribbons to the fighters. Among these jubilant crowds was an aunt, Zhang Fuying, from Dafeng No 1 small team in Canzhihua District, Wenshan County, who was especially excited. She said: Only when our own Army wins the battle on the front, can we engage in production work peacefully. My family has reaped a bumper grain harvest this year. This makes me feel very happy.

Upon seeing such large crowds to welcome them, the fighters were greatly encouraged. They said that they must make persistent efforts to safeguard the motherland, and to safeguard the safety of people's lives and property.

ZHOU HUI VOTES IN NEI MONGGOL ELECTION

SK070356 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 6 Sep 84

[Excerpts] On 6 September, regional party and government leaders participated in grassroots elections. Zhou Hui and other leaders voted for deputies of the ninth people's congress of Xingcheng District in Hohhot.

On that day, the 72nd electoral district held an electoral meeting. Earlier in the morning, staff members and workers of various nationalities of the Nei Monggol Regional CPC Committee organs received ballots with their voter registration cards and participated in elections. Zhou Hui, first secretary of the regional CPC Committee, Qian Fenyong, deputy secretary of the regional CPC Committee, and Zhang Pengtu and Lin Weiran, vice chairmen of the preparatory group of the Nei Monggol Regional Advisory Commission, participated in this electoral district's election. After receiving votes, they made their selections conscientiously in line with the requirements of the electoral meeting, and put the votes into the ballot box.

The voting site of the first electoral district was located in the meeting hall of the No 1 guesthouse of the Nei Monggol Regional People's Government. On behalf of the Xingcheng District electoral committee, Ge Hongru, deputy secretary general of the regional government, chaired the voting work of the No 1 electoral district. As soon as he declared the voting open, Liu Zuohui and Zhao Zhihong, vice chairmen of the regional government, and some 1,000 other voters put their votes in the ballot box.

The regional People's Congress Standing Committee courtyard was brightly lit and decorated with flying colorful flags. A streamer bearing such words as, "The Voting Site of the Xingcheng No 2 Electoral District," was hung on the dazzling glazed tile balcony. The red ballot box inlaid with the national emblem was placed at the center of the courtyard. Kui Bi, member of the Central Advisory Committee, and Wang Zaitian, deputy of the regional People's Congress, came early to the voting station to wait for voting. After 1000, Li Wen, Hao Siushan, Zhou Beifeng, Seyinbaya'er, Chao Luomeng, and Buta Gao, vice chairmen of the regional People's Congress Standing Committee, came to the voting site to cast their votes along with the other voters. Veteran comrades who have been working for a long time in Nei Monggol, including Zhang Rugang, Gao Zengpei, Peng Sike, Zhao Zhanshan, and Xu Jinsheng, also cast their solemn votes at the No 2 electoral district.

SHANXI'S LI LIGONG AT PROVINCIAL WORK MEETING

SK060731 Taiyuan SHANXI RIBAO in Chinese 19 Aug 84 p 1

[Excerpts] Efforts should be made to continuously uphold the principle of taking economic construction as the focal point, to vigorously grasp the two major tasks of systematic reform and party rectification, to carry out the party rectification drive to promote the economy, and to develop the economy to test party rectification work. This is the general demand for work in the latter half of 1984, set forth by the provincial work conference held from 14 to 16 August, sponsored by the provincial CPC Committee.

At the work conference, Li Ligong, secretary of the provincial CPC Committee, delivered a speech on the major work for the latter half of 1984. Wang Senhao, deputy secretary of the provincial CPC Committee and governor of the province, and Wang Tingdong, Standing Committee member of the provincial CPC Committee, also made speeches.

Wang Jiangong, deputy secretary of the provincial CPC Committee and secretary of the Taiyuan City CPC Committee, and Lu Rizhou, secretary of the Yuanping County CPC Committee, delivered reports introducing Taiyuan City's experience gained in comprehensively conducting urban systematic reforms and Yuanping County's experience gained in conducting transformations comprehensively. Jiao Liren, head of the liaison group stationed in the province and dispatched by the Central Commission for Guiding Party Rectification of the CPC Central Committee, also delivered a speech.

The conference contended that, in the first half of 1984, the provincial CPC Committee had concentrated on grasping the two major tasks of developing the economy and conducting party rectification and had made new progress in this regard with the concerted efforts of the party committees and governments at all levels, bringing about a very good situation in the province. In economic work, the province further accelerated the pace of developing industrial and agricultural production and commodity production in rural areas, and particularly brought about a new and encouraging trend in rural industries. The provincial CPC Committee has fully acknowledged and supported the experience gained by Yuanping County in conducting reforms comprehensively, which has powerfully pushed forward the transformation drive at the county level. At present, in addition to Yuanping County, there are several counties of various prefectures and cities, which have engaged in new explorations in line with the target of conducting comprehensive reforms at the county level. In the fields of industry and communications, as well as finance and trade, by adopting a series of measures for conducting reforms, the province improved various links, such as production and commodity circulation, and scored better achievements in continuously maintaining a faster speed in development. Judging from the practice acquired in July this year, the development of the party rectification work undertaken by the province was healthy. The province has deepened the work step by step and has scored obvious achievements in this regard.

The conference made arrangements for the work of conducting party rectification and developing the economy in the latter half of 1984. It proposed the following three tasks for carrying out economic work:

1. A good job should be done in carrying out the "Seventh 5-Year Plan" and efforts should be made to fulfill the first task of doubling the annual total industrial and agricultural output value so as to lay a good foundation for the target of quadrupling the annual total industrial and agricultural output value by the end of this century.
2. We should be meticulous in guidance and vigorous in implementation and should carry forward the economic reform in a guided and step by step manner. The emphasis in terms of economic work in the latter half of 1984 should be placed on conducting reforms among urban economic systems.
3. Persistent efforts should be made to continuously do a good job in grasping industrial and agricultural production in 1984 so as to achieve a greater turn for the better in financial affairs.

In the party rectification work, the provincial CPC Committee initially plans to have units that have been assigned to the second group of the first stage of the party rectification drive generally begin their work in November this year and complete their work by the end of April 1985. The results of the party rectification work undertaken by the first and second groups will directly affect a success or failure in carrying out this work and the program of building socialist modernization throughout the province. Therefore, we must fully make up our minds to totally fulfill the task with high standards and quality and in line with the demand set forth by the central authorities' decision on party rectification.

Units that have been assigned to the first group of party rectification should earnestly complete the work of making corrections in line with the arrangements made recently by the provincial CPC Committee, by bearing in mind their actual situation and coping with their major problems. They should totally fulfill the four party rectification tasks set forth by Circular No 9 issued by the Central Commission for Guiding Party Rectification under the CPC Central Committee.

Units assigned to the second group of party rectification should earnestly complete the preparatory work of party rectification. They should organize party members to earnestly study the party rectification documents and should make all-out efforts to have all party members complete this reading before the beginning of the drive in November. A good job should be done in earnestly investigating and analyzing the situation within the party and in discerning the major problems existing in localities or units and cropping up in the fields of ideology, work style, and organization. Major or serious problems exposed in the investigation should be dealt with immediately. Efforts should be made to uphold the principle of conducting reforms in the course of study, to consciously block the bad practices of seeking personal gain by taking advantage of power and bureaucracy, and to earnestly investigate or deal with major or serious cases in order to enhance the confidence of the broad masses of party members and the people in successfully carrying out the party rectification drive in line with the practical results scored in the work of making corrections.

Efforts should be made to vigorously grasp the work of ferreting out or examining the "three category" elements. At present, we should concentrate our efforts on continuously doing a good job in grasping the work of discovering evidence. In line with the relevant provisions established by central authorities, we should put forward as soon as possible our proposals on fixing categories or dealing with the cases in which evidence has been exposed.

The conference contended that to do a good job in economic work and party rectification, we should take the directive regarding the province's work recently issued by the central authorities as an ideological weapon to lead the broad masses of party members and cadres to further unify their thinking and strengthen unity. Meanwhile, leading personnel at all levels must readjust themselves to conform to the new situation and pay great attention to improving their ideology and work style in order to unite as one and make pioneering efforts in further developing Shanxi Province's excellent situation.

LI LIGONG SPEAKS AT SHANXI PARTY MEETING

OW060511 Beijing Domestic Service in Mandarin 1200 GMT 2 Sep 84

[Text] Li Ligong, secretary of the Shanxi Provincial CPC Committee, said Shanxi must work step by step toward fulfilling its three tasks, namely, to build its energy, chemical, and heavy industry bases; to quadruple its total value of industrial and agricultural output by the end of this century; and to make it possible for the people of Shanxi to get rich. He made the statement when he spoke at the recently held Seventh Expanded Plenary Session of the Fourth Shanxi Provincial CPC Committee. He said some localities in Shanxi have accumulated many useful experiences in the past in regard to fulfilling these tasks. However, we still don't have a really keen awareness of the need to implement the policy that the state, the locality, the collective, and the individual should make concerted efforts and follow the principle of [words indistinct]. We have failed to make prompt and bold policy decisions of foresight and sagacity with respect to building energy, chemical, and heavy industry bases; promoting agriculture characteristic of Shanxi; formulating special policies for implementation in the poor and mountain areas; opening to the outside world; and so on.

Li Ligong said: In view of the problems it has encountered in doing its work, the Shanxi Provincial CPC Committee feels that, in order to revitalize Shanxi's economy, it is necessary to pay attention to doing strategic planning, to economic reforms and opening to the outside world, and to developing intellectual resources and making technological progress. The provincial party committee calls for continued scientific demonstration efforts centered on building energy, chemical, and heavy industry bases and serious summing up of experiences so as to decide on the overall strategy for economic development as soon as possible and to make contributions in achieving China's general goal.

CHEN WEIDA MEETS WITH TIANJIN AWARDEES

SK020508 Tianjin City Service in Mandarin 0030 GMT 2 Sep 84

[Excerpts] The municipal economic and construction commissions held a ceremonious meeting at the Youyi Club yesterday to welcome winners of the 1984 state quality award and quality project award as well as representatives and advanced individuals of outstanding quality groups returning from the seventh national quality month award ceremony.

Before the meeting, municipal leading comrades, including Chen Weida, Li Ruihuan, Yu Fujing, and Mao Changwo, cordially received the winners and representatives -- each wearing a red flower pinned to his chest -- and extended warm greetings to them. This year, 58 products produced by Tianjin Municipality won state quality awards. This is the highest figure ever achieved by the municipality. Of this, 47 awards went to quality industrial goods, 8 to quality food products, and 3 to industrial arts items. In addition, the project to divert the Luan He to Tianjin won a quality project award. A responsible comrade of the municipal economic commission gave a welcoming speech at the meeting.

In a speech delivered at the meeting, Comrade Chen Weida noted: In order to turn Tianjin into an advanced and modern city with knowledge and information, we must make correct policy decisions in the macroeconomic field. The current important link is to grasp reform, expedite urban reform, enliven enterprises, and attend to development of quality.

In referring to the strategic guiding ideology for Tianjin's economic development, Comrade Chen Weida said:

1. With regard to Tianjin's economic development, we should focus on the processing industry and (?finished products), on ensuring technical progress, and on updating old enterprises. We should place emphasis on importing advanced technology. Through strengthening scientific research, we should digest, absorb, and popularize advanced technology to advance the entire industry to a new stage.
2. We should give full play to our advantages, avoid shortcomings, and pool our efforts, funds, material resources, and talented personnel to expedite the development, progress, and realization of achievements in some major trades.
3. We should reform the municipality's economic, industrial, and technical structures, and enable key industrial departments to make substantial progress in mass production and in ensuring product quality and economic results.

Li Ruihuan, mayor of Tianjin Municipality, also spoke at the meeting.

SHAANXI'S MA WENRUI ON 'LEFTIST' INFLUENCE

HK061219 Beijing RENMIN RIBAO in Chinese 1 Sep 84 p 3

["Excerpts" of speech by Shaanxi's First Secretary Ma Wenrui delivered at enlarged meeting of provincial CPC Committee Standing Committee held on 30 July. "We Must Continue To Eliminate 'Leftist' Influence"]

[Text] We still have many things to do in the rural reform of our province, and our urban economic reform has just begun. Ideological problems impeding the reforms still remain in our leading bodies and functional departments. We have not made sufficient efforts in the investigations and studies of reform practice and in the summing-up of experience, and we have not given sufficient guidance and help to subordinate units in their reforms. Our theoretical and propaganda work has yet to be further improved and strengthened. In general, our work still lags behind that of advanced provinces and municipalities and has not met the requirements set by the central authorities. We should earnestly study the relevant instructions of the central authorities and work hard to successfully carry out economic and structural reforms and the work of opening up to the outside world.

At present, special attention should be paid to correcting the "leftist" influence in our administrative work guidelines. The "leftist" influence is reflected in such problems as sticking to outmoded conventions and refusing to study and accept new things. Some people are still sticking to outmoded old regulations and rules even when conditions have changed greatly. Some people even refuse to earnestly implement the central authorities' instructions and decisions, and just go their own way.

Through comparison and examination, the provincial party committee's Standing Committee has indeed discovered the bureaucratic practices in its leadership work. It has given too many general instructions but too little concrete guidance to subordinate units, has often rested content with assigning tasks and neglected necessary inspection, and has often been entangled in trivial routine affairs and trapped in all forms of red tape such as too frequent meetings and excessive paperwork. This has prevented the committee from devoting sufficient time and energy to making investigations and studies and from concentrating on key matters. This state of affairs also exists to differing degrees in party committees and administrative departments at all levels. Therefore, overcoming bureaucratism, doing a better job in making investigations and studies, and improving leadership style constitute an important aspect of the drive to reform the economic system and to win victories in modernization efforts.

WANG ENMAO AT YINJIANG MINORITY RALLY

HK050931 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 31 Aug 84

[Text] This afternoon, Wang Enmao, first secretary of the regional CPC Committee, spoke at the rally of cadres to mark the 30th anniversary of the founding of Ili Kazak Autonomous Prefecture, eagerly hoping that every year in this prefecture the unity of nationalities will be gradually strengthened, economic and cultural construction will gradually develop, the likelihood of people of all nationalities will gradually improve, the border defense of our motherland will be gradually consolidated, and even greater contributions will be made in the course of achieving the common objective of struggle and the tasks of people of all nationalities throughout the region.

On behalf of the regional CPC Committee and People's Government Comrade Wang Enmao first extended cordial regards and warm greetings to people of all nationalities in Ili Kazak Autonomous Prefecture.

He said: Since Ili Kazak Autonomous Prefecture was founded 30 years ago, it has won great victory in socialist revolution and socialist construction. Since the 3d Plenary Session of the 11th CPC Central Committee, particularly, over the past 3 years, CPC committees and governments at all levels in the autonomous prefecture have seriously implemented the line, principles, and policies of the party, the spirit of the 12th Party Congress, and the instructions of CPC Central Committee on work in Xinjiang and have achieved very great results in all its aspects. More and more, the unity of nationalities has been strengthened, the border defense of our motherland consolidated, the economy and culture become thriving, people's livelihood improved, all aspects of work become flourishing, and people of all nationalities lived and worked in peace and contentment. At present, like the region, the autonomous prefecture's political and economic situation and unity of nationalities are the best in history.

Wang Enmao said: At the recent second enlarged plenary session of the third regional CPC Committee, on the basis of the general objective of struggle formulated by the 12th Party Congress, the regional CPC Committee Standing Committee proposed the objective of struggle that the region's annual gross industrial and agricultural output value should increase by 500 percent by the end of this century. Ili Kazak Autonomous Prefecture is the largest autonomous prefecture in our region, which should make and can surely make even greater contributions in the course of achieving the common objective of struggle of people of all nationalities in the region.

In order to make even greater contributions in the course of achieving the common objective of struggle of people of all nationalities in the region, Wang Enmao proposed four demands:

1. It is necessary to ensure that the unity of nationalities is strengthened more and more year by year. Ili Kazak Autonomous Prefecture is a multinational prefecture with the Kazak nationality as the main body. In a nationality autonomous area, strengthening the unity of nationalities is the most important matter at all times. We must do well in grasping this important matter as we did in the past.
2. It is essential to ensure that economic and cultural construction develops more and more year by year. The autonomous prefecture must fully utilize its own superior conditions to do well in economic construction. It must vigorously develop agriculture and at the same time, must develop animal husbandry, forestry, fisheries, and sideline production. We must endeavor to build the autonomous prefecture into an important base of grain, animal husbandry, forestry, [words indistinct], and fisheries in the region. We must also speed up the development of industry to make the autonomous prefecture the base of energy industry, woolen textile industry, and food industry in the region. In the great cause of exploiting and building Xinjiang, the autonomous prefecture should march not only at the head of other autonomous prefectures but also at the head of other autonomous prefectures but also at the head of the whole region and should become a model autonomous prefecture in regional economic and cultural construction in which all aspects of such work thrive, which is really very fascinating.
3. It imperative to ensure that the livelihood of people of all nationalities improves more and more year by year and that the improvement of the livelihood of people of all nationalities in the autonomous prefecture is better than that of the whole region and that of the whole country.
4. We must ensure that the border defense of our motherland is consolidated more and more year by year.

The Ili Kazak Autonomous Prefecture's border defense lines are some 2,300 kilometers long and its strategic role is very important. We must strengthen border defense building and must build the autonomous prefecture into a powerful stronghold which unites the people to combat hegemony and safeguards the border areas.

In conclusion, Wang Enmao said: To guarantee the fulfillment of the four demands, we must do well in grasping party rectification. Through party rectification, we can promote the unity of nationalities, economic and cultural construction, the improvement of the livelihood of people of all nationalities, and the consolidation of our motherland's border defense, and can win even greater victory in all aspects of work.

Congratulatory Cable Arrives

HK051502 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 1 Sep 84

[Text] To celebrate the 30th anniversary of the founding of Ili Kazak Autonomous Prefecture, the NPC Standing Committee and the State Council sent a cable of congratulations to the Ili Kazak Autonomous Prefectural People's Congress Standing Committee and the Ili Kazak Autonomous Prefectural People's Government.

The cable of congratulations says: Over the past 30 years you have united people of all nationalities throughout the autonomous prefecture to work hard and have made great achievements on the political, economic, cultural, and construction fronts so that the outlook of the autonomous prefecture has undergone a basic change. On the basis of summing up experiences in revolution and construction over the past 30 years, you must continue to unite people of all nationalities throughout the autonomous prefecture, must seriously implement the line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee in light of national and prefectural characteristics of the locality, must seriously enforce the Constitution and the regional national autonomy law, must speed up the development of economic and cultural work, must continue to work hard to enhance the levels of the material and cultural life of people of all nationalities throughout the autonomous prefecture, and must continue to contribute toward the consolidation of border defense and toward socialist modernization.

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C H I N A
PRC MEDIA ON TAIWAN AFFAIRS

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CHIANG KAI-SHEK BIOGRAPHY PUBLISHED IN PRC

OW060809 Shanghai City Service in Mandarin 2300 GMT 2 Sep 84

[Text] A biography of Chiang Kai-shek by (Miao Peishi), a Red Army cadre and veteran writer, has been published. This book, an outline history of Chiang Kai-shek based on facts, realistically reflects the historical life of that time.

TAIWAN BARGE DRIFTS INTO FUJIAN WATERS

OW060907 Beijing XINHUA in English 0842 GMT 6 Sep 84

[Text] Beijing, September 6 (XINHUA) -- A barge from Taiwan drifted by strong winds in the Taiwan Straits was pulled to Fuzhou Harbor in Fujian Province on Wednesday night, the China Maritime Search and Rescue Center announced here today.

An official said no crew was found on the Gaoxiong (Kaohsiung) registered vessel, which was tugged by two rescue towboats from Shanghai.

The barge, 48.5 meters long and 17 meters wide, has "Yi Qun" painted on its hull. On the deck are four derricks, and the cabin contains goods including a refrigerator and a TV set.

The official said the center had instructed the rescue personnel to look after all the property on board, and hoped the ship owner in Taiwan would contact the Shanghai Marine Rescue and Salvation Company as early as possible to recover the barge within two months. The ship was discovered last week by a cargo vessel, but Typhoon June prevented an immediate rescue.

COMMENTARY CITES JAPAN WEEKLY ON HONG KONG FUTURE

OW061347 Taipei International Service in English 0100 GMT 6 Sep 84

[Station commentary]

[Text] A Japanese magazine reported last week that Communist China has completed its plan for the communization of Hong Kong even as its representatives are still talking with the British Government for a final agreement about the colony's future.

The report, contained in the August 31 issue of the BUNSHUN WEEKLY, confirmed our forecast that the so-called self-government of Hong Kong promised by Peking is nothing but an empty promise. The fact is that nobody in Hong Kong trusts Peking's pledge to allow the freewheeling capitalist colony to remain capitalist for another 50 years after 1997.

BUNSHUN WEEKLY said Peking has already taken the first step toward gaining control of Hong Kong by sending 3,000 cadres to the colony in mid-August as legal settlers. In 7 years time these new settlers will become Hong Kong's permanent residents and be eligible for selections to fill the seats in the Hong Kong Legislative Council.

With Peking's backing, the new residents of Hong Kong can be expected to control the legislative body and through which the colonial government even before the British are gone. In addition to the 3000-member advance party, Peking has entrusted the task of communizing Hong Kong to 5 officials. BUNSHUN identified the quintet as Chi Peng-fei, a member of the State Council and head of the Hong Kong-Macao office who is in overall charge, Hsu Chia-tun, head of the XINHUA NEWS AGENCY's Hong Kong bureau who is in charge of political affairs, Chia Shih, vice minister of foreign trade who is in charge of economic affairs, Chiang Wen-kuei, head of the Hong Kong branch of the Bank of Red China who is in charge of fiscal operations, and Wang Kuang-ying, brother-in-law of former President Liu Shao-chi and head of the Kuang Ta Enterprises who is in charge of estates and financial affairs.

The five men, working under the direction of Teng Hsiao-ping, are to effect the communization of Hong Kong behind smiling faces while taking advantage of Hong Kong's democratic system, the Japanese weekly reported. In addition to the above measures, the magazine added, Peking has stationed 30,000 People's Liberation Army troops in Shenchum just across the Hong Kong border in the guise of construction workers. In case of trouble in Hong Kong, the sham construction workers will throw down their building tools and take up arms for an immediate march into the colony.

BUNSHUN's report about the stationing of PLA troops north of Hong Kong was first disclosed a couple of months ago by the HONG KONG TIMES, which is well-informed on mainland affairs.

In practical terms, the fate of Hong Kong has been sealed. No matter what the final agreement will read, it cannot alter the fact that Peking does not have the slightest intention to honor its pledges even though they are put down in black and white. The takeover of Hong Kong by the communists will begin before 1997, not afterward.

TAIWAN PROTESTS PRC MEMBERSHIP IN INTERPOL

OW070545 Taipei CNA in English 0231 GMT 7 Sep 84

[Text] Taipei, Sept. 6 (CNA) -- The Foreign Ministry of the Republic of China on Thursday lodged a strong protest against the international police organization (Interpol) on its granting membership to the Peiping regime and changing, without any authority, the name of this country, a well-established member in that international body.

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The ministry said in a statement that the government here will never accept this illegal arrangement, saying that the Interpol decision was not only contrary to international justice and practices but also violated the spirit of the organization's charter.

The statement noted that the Republic of China, since its admission into Interpol in 1961, has faithfully fulfilled its duties in coordination with the organization's member countries to promote cooperation and prevent international crime. The contributions and assistance provided to Interpol by this country as a full member could never have substituted adequately by anybody else in the past, nor could it at present or in the future.

The statement stressed that the illegal decision adopted at the 53d plenary meeting of Interpol has not only impaired the rights of the Republic of China as a full member in that organization, but also has affected adversely the inter-governmental body itself.

COMMENTARY HITS PRC ATTITUDE ON TEXTILE ISSUE

OW031427 Taipei CNA in English 0934 GMT 3 Sep 84

[Text] Taipei, Sept. 3 (CNA) -- Following is a commentary "Contrast in Textile Equity" aired by the Broadcasting Corporation of China on Sept. 2.

Red China seemingly is always angry with the United States. Pleasant words have been spoken only on occasions special of protocol since Jimmy Carter's recognition of Peking in 1979.

At first, the Chinese Communists demanded the Republic of China be written off the international map and Taiwan be handed over for communization.

That wasn't very persuasive, so the Peking regime insisted that the United States stop selling the people of Taiwan the weapons to defend themselves. Without defensive arms in the hands of the defenders, the Red Chinese might consider crossing the Taiwan Strait and overcoming the Chinese bastion of freedom militarily.

Now the Chinese Communists are threatening the United States for not buying all the textiles it can make. When the Americans said no to the quotas demanded by Peking last year, the communists slashed their grain purchases from America.

From the standpoint of Red China, it is always right and the United States is always wrong. The threats of retaliation include the making of a common cause with the Soviet Union. The Red China card that was supposed to be played against Russia would be played against the United States.

Red China is not the only land that sells textiles to the United States and that will be affected by the country of origin changes made in U.S. relations. This will not allow textiles partly made in Red China and finished in Hong Kong, or vice versa, to be exported to the United States under the quota of either.

The Republic of China, which exports more garments to the United States than any other country, is also affected. Such garments cannot be finished in Hong Kong, the Philippines or some other country.

But Free China, South Korea, Hong Kong and the Philippines are not threatening the United States. They are not talking about "strong resentment" that has been raised among Asian peoples. They do not accuse America of adopting measures which will harm others to benefit itself.

The textile problem is difficult and complex. American textile makers are far down the hill from their once great affluence but they still have some business and some clout. They want to keep it. The merchants who sell textiles in the United States has a different idea. They want the Asian products because they are cheaper and the people want to buy them.

So the United States is divided against itself and will have to work out the problem in time.

There is one big difference, and that is the attitudes and actions of such countries as the Republics of China and Korea with those of the Chinese Communists. No threats are coming from the Asian democracies. They regard the United States as the freest trading country in the world but admit it has a right to exercise protectionism, if it wishes. At the same time, they think it would be a mistake and are willing to make concessions. Free China, for example, doesn't expect the United States to buy all the textiles it can produce and is perfectly willing to make concessions on quotas.

The difference between the free Asian countries and Red China is one of accepting equity and fairness. These are qualities the United States will not find in Red China.

ECONOMICS MINISTRY SCRAPS VENTURE WITH TOYOTA

OW070549 Taipei CNA in English 0250 GMT 7 Sep 84

[Text] Taipei, Sept. 7 (CNA) -- The joint car-making venture project between this country and the Toyota Motor Corp. of Japan has been terminated due to difficulties blocking investment by both sides after two postponements, the Ministry of Economic Affairs (MOEA) announced Thursday evening.

MOEA spokesman Li Mo said the Republic of China's [ROC] purpose in setting up such a big-scale car-making industry is to promote the development of auto parts and components manufacturing industries as well as the machinery industry. This is why, Li said, the ROC demands that its partner meet the three preconditions in order to enter the joint venture: exporting half of the cars produced, sourcing 90 percent of required parts domestically, and complete technology transfer.

Li said in a statement that during the two-year negotiating process, Toyota had been trying hard to meet the ROC's demands, but finally decided that it would have difficulty meeting these conditions. Although the joint venture project has been closed, Toyota still expressed willingness to assist the development of the ROC's auto and auto parts industries, Li pointed out.

This ministry feels pleased at Toyota's attitude and believes that through the long series of candid negotiations, understanding and friendship between the two sides have been strengthened, Vice Minister Li said.

He also stressed that the ROC still wants to enter into cooperation with the world's top carmakers in developing the domestic auto industry. "The target has not changed," he said.

Li further noted that the investment commission of his ministry will formally notify the Japanese auto company of the cabinet decision to end the joint project. In the meantime, Economics Minister Hsu Li-teh will send a letter to Toyota's chairman Eiichi Toyoda explaining why the ROC has made the decision.

Another vice economics minister, Wu Mei-tsun, who has been in the final stage of talks between the two sides, said the ROC welcomes foreign auto-making companies interested in investing here. If they should promise to export all the cars they manufacture here, the ministry will not set a required percentage of domestically manufactured parts and the government will give a preferential tariff to them, in addition to setting up special manufacturing zones for such foreign companies, Wu added.

MASS ESCAPE BY PRISONERS IN QINGHAI REPORTED

OW070547 Taipei CNA in English 0244 GMT 7 Sep 84

[Text] Taipei, Sept. 6 (CNA) -- Prisoners serving their terms in labor camp in Tsinghai Province stood up against the communist authorities and staged a massive escape late last year, according to reports gathered by the intelligence units here.

A survey by the Futan University in Shanghai was quoted as reporting that labor camp prisoners building the railroad linking Tsinghai and Lhasa in Tibet made the uprising because they could not tolerate inhumane treatment by the communists.

They robbed the officers and soldiers of their arms all along the railway, but the revolting actions were put down after large troops were sent in, the reports say. According to the reports, the Futan University survey disclosed that an uncounted number of prisoners and soldiers died as a result, while around 200,000 prisoners took the opportunity to escape.

The Futan survey also indicated that the cause for the uprising is that the labor prisoners became homesick after working a long period of time in the icy and freezing plateau while their warding officers aggravated their discontent by harsh treatments.

Sources pointed out that the communists on the mainland have been nabbing all sorts of "prisoners" under the pretext of "clamping down on criminals" since August last year.

Shanghai saw the severest arresting move, with records of over 10,000 captured each day in a week, said the sources.

The sources added that some of those arrested were sent to the Paimaoling Re-education Farm in Anhui Province while most others ended up in Tsinghai without trial.

UK, PRC ANNOUNCE 23D ROUND OF HONG KONG TALKS

HK070245 Hong Kong HONG KONG STANDARD in English 7 Sep 84 p 1

[Text] Britain and China are to hold one more round of talks before initialling the draft agreement on Hong Kong later this month. This was confirmed by a spokesman for the British Embassy in Beijing yesterday as the latest round, [22d] ended.

The spokesman, Mr Nigel Inkster, said the extra time was needed for administrative reasons and it would be wrong to assume that problems had emerged. He added that details concerning the three remaining issues -- land, nationality and civil aviation -- remained to be thrashed out.

The usual joint statement issued yesterday, for the first time, did not say when the next round will be held. It said the 23rd round would take place in the Chinese capital before the end of the month and the exact date would be announced in due course. It also failed to mention the date or venue for the initialling of the draft agreement as many observers had expected some sort of hint to be dropped.

The statement again referred to the discussions as being useful and constructive -- a term which has been used virtually throughout the two years of negotiations.

The Governor, Sir Edward Youde, said on his return from Beijing last night there was no cause for concern or alarm. "You will have noticed that this time we did not announce the dates of the next September round. But let me assure you that there is no cause for concern in that. We are, as you know, aiming to complete our work by the end of September. The two working groups are very busy and hard at it and so we thought that we would maintain a bit of flexibility this time so that we can decide in the light of the progress of the work in the working groups," he explained.

Sir Edward declined to say whether the next round would be held before or after his trip to London later this month for what is thought to be final consultation with the British Government. The governor will be leaving in the week beginning September 17 and will be accompanied by members of the Executive and Legislative Councils.

Sir Edward said the trip would begin "fairly early in the week" and they would return by the following weekend. He would only confirm that he would return to Beijing for the next round.

British sources in Beijing said the fact that no date had been fixed for the next round did not mean the talks had hit a snag. "As the talks are nearing an end, one can expect some departure from the usual practice. No decision on the date does not indicate there are obstacles in the talks. It only means that there are still outstanding issues in the discussions," the sources said.

Meanwhile, the joint working group set up to examine documents submitted at the talks continued to meet separately yesterday. British civil aviation expert, Mr John Hunt, did not show up at yesterday's meeting. Instead, an expert on land, Mr John Davidson, who is working in the Legal Advisory Section of the Hong Kong government's Lands Department, reappeared after being absent from several meetings.

HONG KONG GROUP TO ATTEND NATIONAL DAY IN BEIJING

HK070240 Hong Kong HONG KONG STANDARD in English 7 Sep 84 p 1

[Text] The Secretary for Home Affairs, Mr Denis Bray, is expected to head a large delegation of senior officials and community leaders to attend the coming National Day celebrations in Beijing. This will be the first time that local officials have been invited to the October 1 event in the past 35 years, since the birth of the People's Republic of China.

XINHUA NEWS AGENCY yesterday confirmed that invitations would be sent to senior government of officials and community leaders, including Umelco members. But the exact name list of the delegation was for the Hong Kong Government to decide, an agency spokesman said.

In Beijing, a British Embassy spokesman also confirmed that Mr Bray would head the delegation to the Chinese capital for the anniversary celebration. Mr. Bray, who attended a Umelco meeting yesterday, declined to comment. And Umelco members also said they had not heard about the invitation until they were told about it yesterday.

"I don't know anything about it, maybe I am not invited," Mr Roger Lobo said.

Mr Bill Brown is unlikely to attend even if he is invited. He is going on leave to Britain next week and will not have returned in time.

Miss Maria Tam said the Umelco members would make an appropriate response if the invitation was extended, but she stressed that no individual invitations had been received so far.

Besides officials and Umelco members, invitations would also be sent to Urban Council members, academics, members of the business community, lawyers, and mass media organisations. The delegation will be made up of more than 250 people, even some from rightwing circles.

China is paying special attention to the National Day anniversary this year. There will be a large scale military parade before Tianmen--the first time since the Cultural Revolution. And there will also be fireworks and laser displays to add colour to the event.

In the past, only members of the leftwing circles, like the trade unions, have been invited. And the number of people invited is usually far lower than this year. Observers believe that China is taking the opportunity to show unity to the world after recovering sovereignty over Hong Kong. A massive delegation from Hong Kong, comprising official members and those from the rightwing circles, will definitely help to indicate support for China's plan to settle the territory's future.

The vice-director of the local branch XINHUA NEWS AGENCY, Mr Li Chuwen, had pointed out that this year's National Day celebration will be of particular importance to Hong Kong people. He said China would be able to wash herself clean of the shame marked by colonialism as Hong Kong's sovereignty is recovered. In Hong Kong, a large scale celebration is also being planned for the national day.

A cross-selection of people have been appointed to sit on the organising committee for the anniversary. They include Urban Council member, Mr Howard Young, Heungyeekuk chairman, Mr Lau Wong-fat, some businessmen and the local delegates to the National People's Congress.

HONG KONG JOURNAL ON UNREST AT NANJING UNIVERSITY

HK311233 Hong Kong PAI HSING in Chinese No 79, 1 Sep 84 pp 20, 21

[Article by Ke Pu and Chen Yi-ko: "Origin and Development of Unrest at Nanjing University"]

[Text] China — a China forging ahead in the process of reforms; China — a China that has broken away from the past, is grasping its present and creating its future. The millions of Chinese people are looking forward earnestly to the realization of a realm of ideal. However China's future destiny depends, to the greatest extent, on the future successors to power who have received higher education.

What, then, is the situation in the reform of China's higher education? This is a complicated question with broad implications. It involves change in the social system of the whole of China, control over ideology, and the pressure of social demands on the educational circles. It also reflects the mentality of this generation of Chinese youth, the repercussion of the new values and outlook of life... However, by analyzing some of the phenomena, we will still be able to learn something about the turbulence and bold advance of China's higher education, and thus feel the pulse of China's development.

The "Nanjing University incident" that took place not long ago was one ripple of these turbulences. Perhaps we can receive some enlightenment from this incident.

1. The Causes of the Incident

Nanjing University, a university in Nanjing, the capital of Jiangsu Province, is one of China's about 100 key higher education institutes. This university has absorbed the elite of the Central and Jinling Universities of old China and has such a reputation and prestige that every year tens of thousands of students sign up for the entrance examination for this university out of admiration for the well known professors there such as Kuang Yaming and Gu Jigang. In today's China, when a man enters a well known university, it means a guarantee for a magnificent future as well as prestige, status, and glory for him.

However, in May 1984, China's Ministry of Education decided to announce the names of 10 higher education institutes which it had selected as the key institutes from the key national institutes in order to speed up the reform in China's higher education. According to this decision, the 10 institutes selected will get a total of 100 million yuan of additional allowance from the state, will have greater power than other key national institutes in recruiting teachers, carrying out exchange activities and research cooperation with the outside world, and will have priority in recruiting students. These 10 key institutes include Beijing University, Fudan University, Jiaotong University, Qinghua University, Nankai University, and Beijing Medical Institute. Nanjing University was not chosen to be one of them and this announcement touched off the Nanjing University incident. As a matter of fact, the announcement of this decision was itself a process filled with contradictions and struggles that reflects the spread of the evil influence of factionalist thoughts and the practice of pursuing the interests of small cliques in the top leading group of the educational circles.

When New China was founded in 1949, like all other trades, higher education was faced with a major revolution. First, a large number of universities run by religious institutions and the KMT governments were taken over the PRC Government or suspended. In 1952, there was a nation-wide large-scale campaign to reorganize the system of higher education institutes. The system and structure of China's higher education today is in fact still a continuation of that of the 1950's.

For 30 years, there seems to have been south and north factions in the leading strata and academic circles of education. The south faction consists of those who are engaged in the work of education in the universities in southern China and those who have graduated from these universities and who are now employed in important posts. This similarly is the case for the north faction. The narrow parochial concept gives rise to a practice of acting in the light of parochial feelings, which affect the understanding and decisions related to the whole situation. The factionalist mentality in the cliques of the educational and academic circles is not less serious than that in other circles.

For a long time, the senior posts in the Ministry of Education have been controlled by the north faction, therefore, there have been frequent emergence of the phenomena of favoring the north faction at the expense of the south faction. Only this has not been brought into the open.

In May, on the instructions of the CPC Central Committee, the Ministry of Education planned to announce that it had selected five or six higher education institutes as the key national higher education institutes. The initial tentative idea was that Beijing, Qinghua, Nankai Universities and other higher education institutes in the north were to be selected and all institutes in the south, even Fudan University, were to be excluded from the list. When this news spread Professor Xie Xide, president of Fudan University, member of the CPC Central Committee and member of the Scientific Council of the Academy of Sciences of China, immediately complained to the Ministry of Education. As Fudan University ranked first in the higher education institutes throughout the country for its scientific research achievements and because of the university's history, reputation, and prestige, the Ministry of Education was forced to change its plan and decided to choose Beijing, Fudan, Jiaotong, Qinghua and Nankai Universities, and Beijing Medical Institute as key of the key institutes. However, on the eve of the announcement, the ministry received protests from many higher education institutes. In May, the Ministry of Education finally made up its mind to change its original plan and announced that 10 institutes were chosen as the cream of the key national institutes.

In mid-May, the news about this decision of the Ministry of Education spread to Nanjing University and finally touched off unrest.

The sense and atmosphere of democracy has always been the strongest in China's higher education institutes. Since the smashing of the "gang of four," democratic campaigns and journals, the democratic election of deputies to people's congresses, and comparatism, existentialism, and other Western philosophies have been in vogue there... In the minds of the high-ranking leaders, higher education institutes have long become dangerous areas where people depart from the classics and rebel against orthodoxy. The CPC Central Committee has issued a series of instructions to strengthen ideological and spiritual education among college students. In Beijing a conference on the work of ideological education in higher education institutes has been held, in which a few institutes were criticized by name for being well known in disobeying instructions.

Under this background, the leading group in Nanjing University decided to take the following two measures: 1) It tried to appease the students and invited the students to put forward concrete measures of reforms to be discussed by the Party Committee; and 2) it approached the Nanjing City Armed Police and asked it to send units to be stationed in the university to prevent the aggravation of the situation.

The students took immediate actions to counter the party committee's two decisions. They posted an even larger number of big-character posters, sharply pointing out that the party committee "has only kept giving promises that it will discuss the proposals but it has no sincere desire to solve the problems."

The students began to be indignant at the patrol of the armed police units in the university. Some of them became agitated. The students of the Department of Law first came out to call for acting in accordance with the Constitution, which stipulates that citizens have the right of demonstration.

2. One Climax Follows Another

On 28 May, some postgraduates of the arts were the first to post big-character posters on the bulletin board in the university, criticizing the university party committee for its failures to attach importance to departments of the arts or to thoroughly implement the policies toward intellectuals. As a result of these failures, the quality of the university's work of scientific research, teaching, and guiding postgraduates had fallen. The big-character posters furthermore pointed out that the reason why Nanjing University was not included in the list of the 10 key higher education institutes in the recent announcement of the Ministry of Education was because the university authorities had failed to exercise vigorous leadership. The students of the university had strived to enter the university by achieving high marks in the entrance examinations, but essentially, the university has already degraded into an ordinary university.

During the several days following the 28th, big- and small-character posters continued to appear. These posters focused on changing the leading group of the university, and calling for reforms in the university's systems and improvement in its educational quality. The number of students who took part in writing big-character posters and in the discussion continue to grow until students of all departments and grades, ranging from postgraduates to the students who had just entered the university and from students of the arts to those of the sciences took part in these activities. The students wholeheartedly thought that what they took part in was the initial battle of educational reform and a major battle to solve the key problems in Nanjing University. They displayed calm, reason, and insight as well as enthusiasm and concern.

At this juncture of crisis, the Nanjing University CPC Committee held a special meeting to discuss the nature and the probable trend of the development of the situation and to hastily think out methods to deal with the situation.

On the 29th, the theme of the big-character posters switched from demanding reforms to demanding the elimination of pernicious influence of "leftism." The students pointed out that in order to carry out reforms, it is necessary to first eliminate "leftism" and that the key to the elimination of "leftism" lay in the leadership. They strongly demanded that the current secretary of the Nanjing University party committee be dismissed and that former President Kuang Yaming be summoned back to be in charge of the work in the university. (Kuang Yaming offended quite a few people because he gave preferential treatment to old teachers in allocating housing areas. He was therefore transferred to another post.) The students sent representatives to meet the CPC Committee secretary of the university, but were stopped by the armed police who denounced the speeches and activities of the students and said that those were illegal activities. Seeing that the problems could not be solved inside the university, they planned to present the problems to the leadership at a higher level.

At 2100 on the 30th, the students gathered at the southern gate of the university. By about 2200 the demonstration of some 1,500 people set out from Nanjing University and the students walked along Zhongshan Road to the office building of the Jiangsu provincial government (formerly the office building of the president). They insisted on meeting the Jiangsu governor. However, the people who received them said that the governor was not in and asked the students to come the next day.

At that time, a small number of the students became excited and thought that it was high time that the officials open the door and agree to meet the people. They once tried to break into the office building of the provincial government, but were stopped by most of the students. Finally, through repeated negotiation, the staff of the provincial government agreed that they would send people to make inspection in Nanfang University the next day. At about midnight, when the students returned to the campus, they saw a notice of the Party Committee, which reiterated its former stand, stressed that any of the reforms had to be carried out under the leadership of the party committee and said that the party committee requested the students to express their views level by level.

On the morning of the 31st, all the big- and small-character posters of the students were torn off and only the notice of the party committee was left in the campus. However, in less than half a day, the students posted the big-character posters again on all the walls, in which they put forth a relatively complete program of reforms and once more strongly demanded that the university leading group be replaced and that the provincial government make an all-round inspection of Nanjing University.

What was worth mentioning was the attitude of the Student Association of Nanjing University. Basically, this incident broke out spontaneously without anyone to organize or lead it, but during this incident, the Students' Association -- the organization of the students to manage their own affairs -- adopted an attitude of sympathy and support toward the incident. It is said that the Students' Association approached the Student Association of Nanjing Engineering Institute for support and help. However, the latter discussed the matter and then replied: "We are not clear about the state of affairs in Nanjing University and it is up to you yourselves to deal with your affairs." Later, the upper-level department praised the Students Association of Nanjing Engineering Institute for this attitude and said that "it has stood the test well!"

In accordance with the principle of refraining from expanding the impact of the incident from publicizing the incident and from dealing with the incident carelessly, the Jiangsu Provincial CPC Committee prudently and effectively handled the case. The provincial CPC Committee sent people to the university to hold various kinds of get-togethers attended by various kinds of people to solicit opinions and understand the situation. During these get-togethers, most of the teachers adopted an attitude of reserve toward the activities of the students. At the beginning of the incident, most of the teachers sympathized with the students and supported their demands. However, when the situation worsened and student began strikes and demonstrations, the teachers began to worry, because the Cultural Revolution began precisely in this way. The memory of the lessons of the past made the teachers silent.

The provincial CPC Committee summed up the Nanjing University incident as follows: The incident took place because of many actual problems which had to continue to be solved. However, the cause of the aggravation of the incident was the fact that the university leadership inappropriately handled the incident and was weak in exercising its leadership.

The Nanjing University incident was defused. However, how should the various kinds of actual problems related to China's higher education be further solved? How should the reform in China's higher education be advanced?

PAPER HITS ELECTION TACTICS OF MACAO 'LEFTISTS'

HK060930 Hong Kong CHENG MING in Chinese No 83, 1 Sep 84 p 3

[Editorial: "A Lesson for Hong Kong From Communists in Macao"]

[Text] "Leftists" in Macao have taught Hong Kong people a lesson.

This was an important lesson in politics and it taught Hong Kong people to be more sober-minded and to understand the necessity of taking their destiny into their own hands at the time about year 1997. During the recent election of the Macao Legislative Council, the "Communists in Macao" played a most inglorious part and fully revealed the "dark side" in the characters and work style of communists:

1. They lacked a sense of principle and there was no lack of arbitrariness in their actions. At the beginning, the "communists in Macao" branded with the labels of "traitors" the Chinese natives who planned to take part in the election. Soon afterward, they made a 180-degree turn and appeared as "parliament fans" in the high tide of election. Their capriciousness bewildered outsiders and left insiders at a loss as to what to do.
2. They clung to sectarianism and discriminated against "middle-of-the-roaders." The "communists in Macao" suddenly became keen on the election and went all out in the election. Their aim was to check the rising force of the middle-of-the-road faction and to try to prevent from entering the Legislative Council those industrialists, businessmen, and young professionals who are politically inclined toward Beijing but who had not organizationally been admitted into "leftist circles." By so doing, they wanted to ensure the position of the "leftist faction" in monopolizing political power. This malpractice in violation of the principle of the united front uniting the majority of the people was due to their habit of excluding outsiders or "drawing in one faction and hitting out at another."
3. They thought highly of themselves and considered themselves always in the right. In the beginning, the communists in Macao estimated that just as in the past, they were in an unchallenged superior position to all other people and had absolute authority and influence. They were so self-confident that they thought that no matter what the election result they would control the situation in Macao and no Macao Chinese would appear on the political stage without their permission. Therefore, at first they overlooked the election and thought that it was not worth taking part in. However, they did not realize that times had changed and the force of the middle-of-the-roaders had grown full-fledged. Therefore the communists continued to view the new situation in an old way and were thus divorced from reality.
4. They played politics and treaded on democracy. In order to cope with the challenge of the force of the middle-of-the-roaders and in order to monopolize all the six seats in the Legislative Council that were to be directly elected, the "leftists" in Macao staged a summit conference to put forth a list of candidates and called on Macao's governor and wealthy and influential people to fully support them. Moreover, they organized a large organization to promote the election ("Joint Nominating Committee") and carried out an election campaign on a large scale. "Leftist" units, social bodies, and neighborhood committees mobilized all the people level by level and organized the balloting in diversified ways. At the same time, the communists in Macao gave a certain man of the third force the promise of appointing him member of the provincial CPPCC Committee in exchange for his withdrawal from the election. They have thus played tricks and despised democracy to an astonishing extent.

From the above, we can see that the communists in Macao committed serious mistakes in the election in Macao. Communists are fond of inventing political terms and labels to be stuck to other people, but many political terms and labels fit them themselves. We are fully justified to say that the reason the Macao Communists committed mistakes this time was because of the subjectivism in their minds, their mentality of being superior to other people, their left opportunism in these political activities, their sectarianism in their organizational activities, their autocracy in their work style, and their putschism in their actual actions. I believe that none of these "labels" have been wrongly stuck to them.

In the final analysis, what the communists in Macao have pursued step by step is a political machinery the components of which, including even all small screws, are made in the factories of the "leftist faction" and is a regime for transition to the rule of the communists in Macao and to the rule of the king of Macao (the king of the leftist faction), and is a Red kingdom where nothing that is not "left" is allowed.

The communists in Macao have put down roots in Macao, a small area, for many years. They have the authority to rally together a large number of people and call on them to obey their orders. They have a "glorious history" of leading a large contingent to defeat the Portuguese authorities in Macao. Generally speaking, they would have easily got all the six seats since they had carried out such an overwhelming, widespread, deep, and vigorous propaganda offensive and organizational activities. However, things did not develop as they generally would have developed and the times have changed. The election results showed that over 40 percent of the votes that they expected to get went into the hands of other people and one of the seats was taken by a middle-of-the-roader and thus they failed to win all the seats. To make it pleasant to hear, we can say that they failed to win a thorough victory; however, to dig deep into it, we should say that they failed in the election. This has ignited a "serious earthquake" among the communists in Macao. The plotter and leader of the election activities (perhaps he was a scapegoat) was dismissed from the Nankong Trading Company and transferred to a job elsewhere. All these facts show that this failure constituted a serious blow to the communists in Macao. What most keenly distressed the communist party was that this failure showed that many Macao people were indignant at the communists in Macao for attempting to monopolize the election and intensifying their interference in the political situation. This showed that the confidence crisis not only existed but was also worsening in Macao. Many of the people who took part in the election under the arrangement of the "leftist faction" cast blank or invalidated ballots. This meant casting votes of no-confidence in the leftist despots and generals in Macao.

Hong Kong and Macao are close neighbors separated only by a strip of water. Surely, the confidence crisis in Macao will spread and thus aggravate the confidence crisis in Hong Kong. This is what the Communist Party fears the most. However, the election in Macao has provided them an effective respite to cure their apathy toward politics and enabled them to have a correct understanding of the meaning of "Hong Kong people ruling Hong Kong." Illusion can be no substitute for reality. Following other people blindly may lead to tragedies. The election in Macao has provided us with a mirror to clearly see the deep-rooted bad habits of some communists and has enabled Hong Kong people to have a glimpse of what may take place in the process of the democratization which Hong Kong people have longed for day and night. We have also been fans who advocated "direct elections," but now we hold that we must see both the advantages and disadvantages of direct election. If this method of election is established too early, it will only prove convenient for the forces that attempt to monopolize the elections. Furthermore, the election in Macao has also urged Hong Kong middle-of-the-rovers to refer to the experiences of Macao middle-of-the-rovers; unite together as one; enter the political scene as an independent force; and thus make efforts for the genuine democratization of Hong Kong during the period of transition, for the goal of actually enabling Hong Kong people to govern Hong Kong democratically after the year 1997, for the goal of people other than "leftists" governing Hong Kong people and for the goal of establishing a high degree of autonomy in Hong Kong.

On the other hand, we hope that the CPC and its organizations in Hong Kong and Macao will draw on lessons from the election in Macao and refrain from regarding people as fools and from playing any political tricks.

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